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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

NOTICE OF EXTRAORDINARY GENERAL MEETING AND PROPOSED AMENDMENT TO SHARE OPTION SCHEME

A letter from the Board is set out on pages 3 to 12 of this circular.

A notice convening the Extraordinary General Meeting (“EGM” or “**Extraordinary General Meeting**”) of Melco International Development Limited (the “**Company**”) to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on Friday, 5 June 2020 at 10:15 a.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned) is set out on pages 16 to 18 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:15 a.m. on 3 June 2020) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you subsequently so wish.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the EGM:

- (1) Compulsory body temperature checks;
- (2) Submission of health declaration form;
- (3) Wearing of surgical face mask;
- (4) The Company may limit the number of attendees as may be necessary to avoid over-crowding; and
- (5) No distribution of gifts and no provision of refreshments.

Attendees who do not comply with the precautionary measures (1) to (3) above may be denied entry to the EGM venue, at the absolute discretion of the Company as permitted by law.

There will be no distribution of gifts and no provision of refreshments at the EGM. All sums earmarked for such purposes have been donated to The Community Chest of Hong Kong to support the elderly who were affected by COVID-19 in Hong Kong.

The Company would like to encourage the Shareholders to appoint the chairman of the EGM as his/her proxy to vote on the resolution and to return his/her form of proxy by the time specified above, instead of attending the EGM in person.

5 May 2020

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DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings unless the context requires otherwise:

“Amended Share Option Scheme”	the amended Share Option Scheme of the Company proposed to be approved by the Shareholders at the Extraordinary General Meeting
“Annual General Meeting”	the annual general meeting of the Company to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on Friday, 5 June 2020 at 10:00 a.m.
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and having its shares listed on the Main Board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting” or “EGM”	an extraordinary general meeting of the Company to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on Friday, 5 June 2020 at 10:15 a.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned), or any adjournment thereof, to consider and, if thought fit, approve the Proposed Amendment
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	27 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Net Settlement Arrangement”	has the meaning given to it in the section headed “Proposed Amendment to Share Option Scheme – Proposed Amendment” in the Letter from the Board in this circular

DEFINITIONS

“Proposed Amendment”	the proposed amendment to the Share Option Scheme, the details of which are set out in the section headed “Proposed Amendment to Share Option Scheme – Proposed Amendment” in the Letter from the Board in this circular
“Relevant Grantee”	a grantee of a share option under the Amended Share Option Scheme who is a director, officer or employee of any member(s) of the Group (or a person proposed to be appointed as such provided that the offer of an option by the Company under the Amended Share Option Scheme to such proposed appointee shall be conditional upon the proposed appointment taking effect)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Scheme”	the Company’s share option scheme adopted on 30 May 2012
“Statutory Withholding Amount”	has the meaning given to it in the section headed “Proposed Amendment to Share Option Scheme – Proposed Amendment” in the Letter from the Board in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

Executive Directors:

Mr. Ho, Lawrence Yau Lung

(Chairman and Chief Executive Officer)

Mr. Evan Andrew Winkler

(President and Managing Director)

Mr. Chung Yuk Man, Clarence

Registered office:

38th Floor, The Centrium

60 Wyndham Street

Central

Hong Kong

Non-executive Directors:

Mr. Tsui Che Yin, Frank

Mr. Ng Ching Wo

Independent Non-executive Directors:

Mr. John William Crawford

Mr. Chow Kwong Fai, Edward

Ms. Karuna Evelyne Shinsho

5 May 2020

To the Shareholders

Dear Sir or Madam,

NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

PROPOSED AMENDMENT TO SHARE OPTION SCHEME

INTRODUCTION AND PURPOSE OF THIS CIRCULAR

The purpose of this circular is to seek approval by Shareholders for the Proposed Amendment. A notice convening the EGM for considering and, if thought fit, approving the Amended Share Option Scheme is set out on pages 16 to 18 of this circular.

LETTER FROM THE BOARD

PROPOSED AMENDMENT TO SHARE OPTION SCHEME

Background

The Share Option Scheme was approved and adopted by the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 May 2012. The purpose of the Share Option Scheme is to enable the Company to grant share options to eligible participants as incentives and/or rewards for their contribution to the Group. Under the Share Option Scheme, the Directors may, at their discretion, grant to any eligible participant options to subscribe for the Shares, subject to the terms and conditions as stipulated therein. A summary of the principal terms of the Share Option Scheme is set out in Appendix III to the Company's circular dated 24 April 2012.

As at the Latest Practicable Date, there were a total of 35,990,000 options granted and outstanding under the Share Option Scheme, of which the holders were entitled to subscribe for a total of 35,990,000 Shares (representing 2.38% of the total number of issued Shares). Assuming that no further Shares will be allotted, issued or repurchased prior to the EGM, the maximum number of Shares available for issue under the Amended Share Option Scheme on the date of its adoption would be 55,840,538 Shares (representing 3.69% of the total number of issued Shares). Details of the options granted and outstanding under the Share Option Scheme are set forth in the table as follows:

Category of participants	Number of outstanding share options granted as at the Latest Practicable Date	Date of grant	Exercise price HK\$	Exercise period (Note)
Directors				
Mr. Ho, Lawrence Yau Lung	1,500,000	10 April 2018	23.15	3
	1,500,000	10 April 2019	19.90	6
	1,500,000	14 April 2020	12.70	9
Mr. Evan Andrew Winkler	5,946,000	10 April 2018	23.15	5
	775,000	10 April 2019	19.90	7
	14,200,000	6 September 2019	18.96	8
Mr. Chung Yuk Man, Clarence	2,219,000	8 April 2016	10.24	1
	237,000	10 April 2017	15.00	2
	144,000	10 April 2018	23.15	4
	153,000	10 April 2019	19.90	7
	264,000	14 April 2020	12.70	10

LETTER FROM THE BOARD

Category of participants	Number of outstanding share options granted as at the Latest Practicable Date	Date of grant	Exercise price HK\$	Exercise period (Note)
Mr. Tsui Che Yin, Frank	1,040,000	8 April 2016	10.24	1
	18,000	10 April 2018	23.15	4
	16,000	10 April 2019	19.90	7
	45,000	14 April 2020	12.70	10
Mr. Ng Ching Wo	395,000	8 April 2016	10.24	1
	48,000	10 April 2017	15.00	2
	36,000	10 April 2018	23.15	4
	36,000	10 April 2019	19.90	7
	48,000	14 April 2020	12.70	10
Mr. John William Crawford	57,000	14 April 2020	12.70	10
Mr. Chow Kwong Fai, Edward	14,000	8 April 2016	10.24	1
	33,000	10 April 2017	15.00	2
	24,000	10 April 2018	23.15	4
	33,000	10 April 2019	19.90	7
	57,000	14 April 2020	12.70	10
Ms. Karuna Evelyne Shinsho	22,000	10 April 2019	19.90	7
	48,000	14 April 2020	12.70	10
Sub-total	30,408,000			
Employees	2,307,000	8 April 2016	10.24	1
	414,000	10 April 2017	15.00	2
	504,000	10 April 2018	23.15	4
	542,000	10 April 2019	19.90	7
	912,000	14 April 2020	12.70	10
Sub-total	4,679,000			

LETTER FROM THE BOARD

Category of participants	Number of outstanding share options granted as at the Latest Practicable Date	Date of grant	Exercise price HK\$	Exercise period (Note)
Others⁽¹¹⁾	749,000	8 April 2016	10.24	1
	58,000	10 April 2017	15.00	2
	60,000	10 April 2018	23.15	4
	<u>36,000</u>	10 April 2019	19.90	7
Sub-total	<u>903,000</u>			
Total	<u><u>35,990,000</u></u>			

Notes:

1. The share options granted on 8 April 2016 are divided into 4 tranches exercisable from 8 April 2016, 8 April 2017, 8 April 2018 and 8 April 2019 respectively to 7 April 2026.
2. The share options granted on 10 April 2017 are divided into 4 tranches exercisable from 10 April 2017, 10 April 2018, 10 April 2019 and 10 April 2020 respectively to 9 April 2027.
3. The share options granted on 10 April 2018 are divided into 2 tranches exercisable from 10 April 2018 and 10 April 2019 respectively to 9 April 2028.
4. The share options granted on 10 April 2018 are divided into 4 tranches exercisable from 10 April 2018, 10 April 2019, 10 April 2020 and 10 April 2021 respectively to 9 April 2028.
5. The share options granted on 10 April 2018 are exercisable from 10 April 2020 to 9 April 2028.
6. The share options granted on 10 April 2019 are divided into 2 tranches exercisable from 10 April 2019 and 10 April 2020 respectively to 9 April 2029.
7. The share options granted on 10 April 2019 are divided into 4 tranches exercisable from 10 April 2019, 10 April 2020, 10 April 2021 and 10 April 2022 respectively to 9 April 2029.
8. The share options granted on 6 September 2019 are divided into 3 tranches exercisable from 30 June 2020, 30 June 2021 and 30 June 2022 respectively to 5 September 2029.
9. The share options granted on 14 April 2020 are divided into 2 tranches exercisable from 14 April 2020 and 14 April 2021 respectively to 13 April 2030.
10. The share options granted on 14 April 2020 are divided into 4 tranches exercisable from 14 April 2020, 14 April 2021, 14 April 2022 and 14 April 2023 respectively to 13 April 2030.
11. The category "Others" represents two former directors and two former consultants of the Company who were granted those share options under the terms and conditions of the Share Option Scheme.

LETTER FROM THE BOARD

Proposed Amendment

Terms of the Proposed Amendment

Under the existing arrangements of the Share Option Scheme, a grantee shall satisfy any tax or other liability to which he or she may become subject as a result of his or her participation in the Share Option Scheme by his or her own cash.

The Proposed Amendment to be made by way of adopting the Amended Share Option Scheme is to enable a net settlement arrangement (the “**Net Settlement Arrangement**”) which:

- (a) authorizes the Company to be able to deduct or withhold, or require a Relevant Grantee to remit to the Company, in respect of any share option granted to the Relevant Grantee, an amount sufficient to satisfy any amount(s) required to be deducted or withheld by the Company pursuant to any applicable laws or regulations in any jurisdiction arising from such grant (which amount may be applied, for the benefit of a Relevant Grantee, towards the satisfaction of a Grantee Tax Obligation (as defined below) where applicable) (the “**Statutory Withholding Amount**”); and
- (b) without prejudice to the Company’s right to be able to deduct or withhold the Statutory Withholding Amount, a Relevant Grantee may elect to satisfy a Grantee Tax Obligation (as defined below) and/or the Option Exercise Cost (as defined below) by having the Company withhold a portion of the Shares otherwise to be allotted and issued with a fair market value equal to the sum of such amount of the Grantee Tax Obligation and the Option Exercise Cost (where applicable).

Under the Amended Share Option Scheme, a “*Grantee Tax Obligation*” is defined to mean, any tax of any nature and in any jurisdiction whatsoever to which a Relevant Grantee may become subject as a result of his or her participation in the Amended Share Option Scheme or the exercise of a share option by the Relevant Grantee under applicable laws and regulations.

Under the Amended Share Option Scheme, “*Option Exercise Cost*” is defined to mean, all costs and expenses incurred by the Company associated with, related to or otherwise incidental to the exercise of any option granted to the Relevant Grantee pursuant to the Amended Share Option Scheme.

LETTER FROM THE BOARD

Application of the Proposed Amendment to employees of the Group

The Net Settlement Arrangement described above is only applicable to a “*Relevant Grantee*”, being a director, officer or employee of any member of the Group (or a person proposed to be appointed as such provided that the offer of an option by the Company under the Amended Share Option Scheme to such proposed appointee shall be conditional upon the proposed appointment taking effect), and does not extend to other eligible participants who may be granted share options under the Amended Share Option Scheme (namely persons who are not employed by the Group but employed as consultants, professionals and other advisers to any members of the Group). The Net Settlement Arrangement is applicable only to a “*Relevant Grantee*” because, to the best of the Company’s knowledge, the Company is not required to deduct or withhold any amount to satisfy any tax obligation of grantees who are not employed by the Group under existing applicable laws or regulations. The Company does not expect a deduction or withholding for tax will be applicable for, if any, future grantees under the Amended Share Option Scheme who are not employed by the Group. The tax obligation of such grantees who are not employed by the Group as a result of his or her participation in the Share Option Scheme or the Amended Share Option Scheme, or the exercise of a share option by such grantees is, and would continue to be discharged by the grantee himself or herself.

Furthermore, the Net Settlement Arrangement may be construed to constitute “financial assistance” under the Companies Ordinance. Section 275(2) of the Companies Ordinance provides that, if a person has acquired shares in a company and any person has incurred a liability for the purpose of the acquisition, the company or any of its subsidiaries must not give financial assistance directly or indirectly for the purpose of reducing or discharging the liability. Under section 280 of the Companies Ordinance, section 275 does not prohibit the giving by a company, in good faith in the interests of the company, of financial assistance for the purposes of an employee share scheme, if the shares in a company issued under the scheme is held by or for the benefit of persons employed or formerly employed in good faith by that company or another company in the same group of companies or certain of their family members. Therefore, the Company believes that it would be prudent to limit the Net Settlement Arrangement to Relevant Grantees only in order to enable the Net Settlement Arrangement to fall under the exception set forth in section 280 of the Companies Ordinance.

Effects of the Proposed Amendment to holders of outstanding share options

A Relevant Grantee who has been granted share options under the Share Option Scheme but which options have not been exercised on the date when the terms of the Amended Share Option Scheme shall become effective, will be bound by the Net Settlement Arrangement.

The Proposed Amendment would not affect the original terms under which share options have been granted under the Share Option Scheme, including but not limited to exercise prices, vesting periods and the expiry dates of the outstanding share options granted, whether to Relevant Grantees or grantees who are non-employees of the Group. The entitlements of such option holders (either Relevant Grantees or grantees who are non-employees of the Group) to the outstanding share options remain unchanged as a result of the Proposed Amendment.

LETTER FROM THE BOARD

The economic benefits of Relevant Grantees would not increase under the Proposed Amendment. The Proposed Amendment would only enable the Company to withhold a portion of the Shares equal to the Grantee Tax Obligation and/or the Option Exercise Cost (as the case may be) when the Relevant Grantee exercises the share options held by him or her. The number of Shares to be withheld would be calculated based on the fair market value of Shares equivalent to the sum of the amount of the Grantee Tax Obligation and the Option Exercise Cost (where applicable). Pursuant to the Net Settlement Arrangement, in the event that any Statutory Withholding Amount is withheld, the Company will allot to the Relevant Grantee the net number of Shares after deducting the fair market value of such Shares withheld for satisfying the Grantee Tax Obligation and (where applicable) the Option Exercise Cost. In the event that no Statutory Withholding Amount has been withheld pursuant to any applicable laws or regulations and the Relevant Grantee has affirmatively made the election described in paragraph (b) under the sub-section headed “*Terms of the Proposed Amendment*” above, the Relevant Grantee would receive an amount of cash from the Company equal to the fair market value of Shares withheld by the Company in order to facilitate the Relevant Grantee in satisfying his or her Grantee Tax Obligation and/or the Option Exercise Cost (as the case may be), together with the number of Shares after deducting the fair market value of such Shares withheld.

Save and except for the Proposed Amendment and conforming changes in relation to the Proposed Amendment, all of the other existing terms of the Share Option Scheme as summarized in the Company’s circular dated 24 April 2012 remain unchanged.

The terms of the Amended Share Option Scheme will continue to comply with the requirements of Chapter 17 of the Listing Rules.

REASONS FOR THE PROPOSED AMENDMENT

The Proposed Amendment would enhance administration flexibility of the Board in the implementation of the Share Option Scheme and is considered to be reasonable and beneficial to both the Company and Relevant Grantees under the Amended Share Option Scheme.

None of the holders of outstanding share options granted under the Share Option Scheme is subject to jurisdictions where withholding tax is applicable. However, it is anticipated that the Company may, from time to time, be required by applicable laws and/or regulations in certain jurisdictions to deduct or withhold an amount sufficient to satisfy any local taxes arising from the grant of any share option to a Grantee under the Share Option Scheme. The Proposed Amendment would expressly confer upon the Company the authority to, in such circumstances, deduct or withhold such amount sufficient to satisfy the relevant taxes in compliance with applicable laws and/or regulations, and would be expected to enhance the administrative efficiency of the Company by having agreed in advance with the Relevant Grantee the relevant settlement arrangements if and when such statutory obligation arises. In the scenario where no Statutory Withholding Amount has been withheld, armed with an enhanced platform for the administration of the Amended Share Option Scheme, it would be beneficial to the Company for the same platform to be utilised in respect of any other local taxes or costs to which grantees may become subject as a result of his or her participation in the Share Option Scheme or the Amended Share Option Scheme.

LETTER FROM THE BOARD

Nonetheless, under the existing terms of the Share Option Scheme, the Company shall not be responsible for any tax or other liability to which a Relevant Grantee (and other eligible participants who may be granted share options under the Share Option Scheme) may become subject as a result of his or her participation in the Share Option Scheme. In other words, a Relevant Grantee is personally responsible for discharging his or her own tax liability by reason of his or her participation in the Share Option Scheme. Under the rules of the Amended Share Option Scheme, the Statutory Withholding Amount would only be deducted or withheld by the Company only if, and to the extent required by applicable laws and/or regulations. Accordingly, in the circumstances where such deduction or withholding of the Statutory Withholding Amount has been made, such deducted or withheld Statutory Withholding Amount would be applied towards the satisfaction of a Relevant Grantee's Grantee Tax Liability, for the benefit of the Relevant Grantee.

At the election of a Relevant Grantee, the "Option Exercise Cost" which may be deducted or withheld by the Company under the terms of the Amended Share Option Scheme is also narrowly defined to be limited to costs that are incidental to the exercise of any option (if and when exercised), while the Company shall continue to bear the general costs of establishing and administering the Scheme pursuant to the existing terms of the Share Option Scheme.

The Proposed Amendment would streamline, both on the part of the Company or a Relevant Grantee, the satisfaction of the Grantee Tax Obligation and/or the Option Exercise Cost arising out of or in connection with the exercise of a share option granted to a Relevant Grantee under the Share Option Scheme or Amended Share Option Scheme (as the case may be), as and when required.

LISTING RULES IMPLICATIONS

Pursuant to note (2) to Rule 17.03(18) of the Listing Rules and the rules of the Share Option Scheme, any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of share options granted must be approved by the Shareholders, unless the alterations take effect automatically under the existing terms of the Share Option Scheme. Accordingly, the Proposed Amendment will be put to Shareholders for consideration and if thought fit, approval at the EGM. The consent of current holders of share options granted under the Share Option Scheme is not required to give effect to the Proposed Amendment. The Amended Share Option Scheme, if approved, shall become effective on the date of the passing of the relevant resolution by Shareholders at the EGM.

EXTRAORDINARY GENERAL MEETING

The notice convening the EGM to be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on Friday, 5 June 2020 at 10:15 a.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned) is set out on pages 16 to 18 of this circular. At the EGM, a resolution will be proposed to approve the Proposed Amendment. A copy of the Amended Share Option Scheme will be available for inspection at the Company's registered office at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong not less than 14 days before the EGM and at the EGM.

LETTER FROM THE BOARD

None of the Directors is considered to have a material interest in the Proposed Amendment, or is otherwise required to abstain from voting on, the Board resolution in relation to the Proposed Amendment. The Board has approved the Proposed Amendment conditional upon the approval by the Shareholders at the EGM.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Amendment. As such, no Shareholder is required to abstain from voting in favour of the resolution approving the Proposed Amendment at the EGM.

A form of proxy for use at the EGM is enclosed with this circular and is also available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.melco-group.com). Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:15 a.m. on 3 June 2020) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish and in such event, your proxy form shall be deemed to be revoked.

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the Company would like to encourage the Shareholders to appoint the chairman of the EGM as his/her proxy to vote on the resolution and to return his/her form of proxy by the time specified above, instead of attending the EGM in person.

For those non-registered holders whose shares are held in the Central Clearing and Settlement System, they are strongly encouraged to vote through HKSCC Nominees Limited by giving instructions to their brokers or custodians.

VOTING BY WAY OF POLL

Under the Listing Rules, the Proposed Amendment is subject to the approval of the Shareholders. Any connected person who is a Shareholder and has a material interest in the Proposed Amendment, and any other Shareholder with a material interest in the Proposed Amendment and their respective associates (as defined in the Listing Rules), shall abstain from voting on the resolution to approve the Proposed Amendment.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the proposed resolution will be voted on by way of poll at the EGM. An announcement of the poll results will be made by the Company after the EGM in the manner prescribed by Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the view that the Proposed Amendment is in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the Proposed Amendment.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

The amendments to be reflected in the Amended Share Option Scheme (comprising the Proposed Amendment and the conforming or tidying-up alterations which are of an immaterial nature), with insertions underlined and deletions shown in strikethrough, are as follows:

- (1) that the following definitions be added to, or amended in, paragraph 1.1 of the Share Option Scheme:

<u>“Grantee Tax Obligation”</u>	<u>any tax of any nature and in any jurisdiction whatsoever to which a Grantee (other than a Grantee who is not a director, officer or employee of any member(s) of the Group (or person(s) proposed to be appointed as such provided that the Offer to such proposed appointee(s) shall be conditional upon the proposed appointment taking effect)) may become subject as a result of his or her participation in this Scheme or the exercise of an Option by the Grantee under applicable laws and regulations;</u>
<u>“Option Exercise Cost”</u>	<u>all costs and expenses incurred by the Company associated with, related to or otherwise incidental to the exercise of any Option granted to the Grantee pursuant to the Scheme;</u>
<u>“Shares”</u>	<u>ordinary shares of \$0.50 each in the capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the ordinary share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction;</u>
<u>“Subsidiary”</u>	<u>the meaning assigned to that expression in the Companies Ordinance (Chapter 32622 of the Laws of Hong Kong), as amended from time to time; and</u>

- (2) that paragraph 5 be amended as follows:

5. SUBSCRIPTION PRICE

The Subscription Price shall be such price determined by the Board at its absolute discretion and notified to the Participant in the Offer but shall be no less than the ~~highest~~ higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant; and
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the Date of Grant; ~~and~~
- (c) ~~the nominal value of a Share on the Date of Grant.~~

- (3) that paragraph 6.2 be amended as follows:

6.2 An Option may, subject to the provisions in paragraph 9, be exercised in whole or in part in the manner as set out in paragraph ~~6.3~~6.5 by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the aggregate amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given and any applicable tax withholding to the Company. Within 10 business days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate pursuant to paragraph 10, the Company shall allot, and shall instruct the Share Registrar to issue, ~~the relevant~~ subject to the provisions in paragraph 6.4, such number of Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted or, if the relevant Shares are to be issued in scripless form, make such other arrangements as are necessary to complete the issuance of those Shares in scripless form.

- (4) that the original paragraph 14.7 under the paragraph headed “14. MISCELLANEOUS” be moved up as paragraph 6.3 and amended as follows:

~~14.7~~6.3 All allotments and issues of Shares will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant or exercise of the Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in this Scheme. For the avoidance of doubt, a Grantee shall at all times remain personally liable for a Grantee Tax Obligation.

- (5) that paragraph 6.4 be inserted as follows:

6.4 (a) The Company has the authority to deduct or withhold, or require a Grantee to remit to the Company an amount sufficient to satisfy the Statutory Withholding Amount. “Statutory Withholding Amount” means any amount(s) as statutorily required to be deducted or withheld by the Company pursuant to any applicable laws or regulations in any jurisdiction arising from the grant of any Option to the Grantee pursuant to the Scheme who is a director, officer or employee of the Group (which amount may be applied, for the benefit of a Grantee, towards the satisfaction of a Grantee Tax Obligation where applicable).

(b) Without prejudice to paragraph 6.4(a) above, a Grantee may satisfy the relevant Grantee Tax Obligation and/or Option Exercise Cost (as the case may be), by electing to have the Company withhold a portion of the Shares otherwise to be allotted and issued with a fair market value equal to the sum of such amount of the Grantee Tax Obligation and the Option Exercise Cost (where applicable).

- (6) that the paragraph references in the Share Option Scheme be updated accordingly as a result of the changes mentioned in (4) and (5) above.

A copy of the Amended Share Option Scheme is available for public inspection, as referred to on page 10 of this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an extraordinary general meeting (the “**EGM**”) of Melco International Development Limited (the “**Company**”) will be held at Rooms 1501-02, 15th Floor, Hong Kong Club Building, 3A Chater Road, Central, Hong Kong on Friday, 5 June 2020 at 10:15 a.m. (or as soon thereafter as the Annual General Meeting convened for the same day and place shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the proposed amendment to the existing share option scheme of the Company (the “**Share Option Scheme**”), as described in the circular of the Company dated 5 May 2020 and incorporated in the amended share option scheme of the Company (the “**Amended Share Option Scheme**”), a copy of which is produced at the meeting marked “A” and initialed by the chairman of the meeting for identification purpose, be and is hereby approved, and the directors of the Company be and are hereby authorized to execute such documents and take such action as they deem appropriate to implement and give effect to the Amended Share Option Scheme.”

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

Hong Kong, 5 May 2020

Registered Office:
38th Floor, The Centrium
60 Wyndham Street
Central
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Details of the above resolution to be considered at the EGM are set out in the circular of the Company dated 5 May 2020 (the “**Circular**”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the meanings given to them in the Circular.
2. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and on a poll vote in his/her stead. A proxy need not be a member of the Company.
3. In order to be valid, a form of proxy must be deposited at the Company’s registered office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 10:15 a.m. on Wednesday, 3 June 2020) or any adjournment thereof.
4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 2 June 2020 to Friday, 5 June 2020 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above EGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company’s share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 1 June 2020.
5. In accordance with the Listing Rules, voting on the above resolution will be taken by poll.
6. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or after 6:00 a.m. on the date of the EGM, or in the event that the COVID-19 situation requires the date of the EGM to be changed, the EGM will be automatically postponed or adjourned. The Company will post an announcement on the Stock Exchange’s website (www.hkexnews.hk) and the Company’s website (www.melco-group.com) to notify shareholders of the Company of the date, time and venue of the rescheduled meeting.
7. **Arrangements for precautionary measures for the EGM**

Taking into account the guidelines mentioned in the “Joint Statement in relation to General Meetings in light of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation” published by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited on 1 April 2020, the Company will implement the following precautionary measures at the EGM to ensure the health and safety of the shareholders of the Company and participants attending the EGM and to prevent the spreading of the COVID-19 pandemic:

- (1) Compulsory body temperature checks

At the entrance to the venue, a compulsory body temperature check will be conducted on every person (including but not limited to, shareholder or proxy or corporate representative) attending the EGM. Any person with a body temperature of over 37.3 degrees Celsius or who has any flu-like symptoms or is otherwise unwell will not be admitted to the venue.

- (2) Submission of health declaration form

Every attendee (including but not limited to, shareholder or proxy or corporate representative) have to submit a completed health declaration form prior to entry into the venue.

- (3) Wearing of surgical face mask

Every attendee (including but not limited to, shareholder or proxy or corporate representative) is required to wear a face mask at any time within the venue.

- (4) Any person who has travelled outside Hong Kong within 14 days immediately before the EGM (“**recent travel history**”), is subject to quarantine or self-quarantine in relation to COVID-19, or has close contact with any person under quarantine or with recent travel history shall not attend the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (5) Appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the EGM as may be necessary to avoid over-crowding.
- (6) No distribution of gifts and no provision of refreshments.

Attendees are requested to observe and practise good personal hygiene at all times at the venue. To the extent permitted under law, the Company reserves the right to deny entry into the venue or require any person to leave the venue so as to ensure the health and safety of the attendees at the EGM.

There will be no distribution of gifts and no provision of refreshments at the EGM. All sums earmarked for such purposes have been donated to The Community Chest of Hong Kong to support the elderly who were affected by COVID-19 in Hong Kong.

To safeguard the health and safety of shareholders and to prevent the spreading of the COVID-19 pandemic, the Company would like to encourage Shareholders to appoint the chairman of the EGM as his/her proxy to vote on the resolution and to return his/her form of proxy by the time specified above (i.e. not later than 10:15 a.m. on 3 June 2020), instead of attending the EGM in person.

For those non-registered holders whose shares are held in the Central Clearing and Settlement System, they are strongly encouraged to vote through HKSCC Nominees Limited by giving instructions to their brokers or custodians.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice and implement further precautionary measures, shareholders should check the Company's website at www.melco-group.com for future announcements and updates on the EGM arrangements.