
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Melco International Development Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Melco
International Development Limited
(Incorporated in Hong Kong with limited liability)

PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES

A notice convening an Extraordinary General Meeting of Melco International Development Limited (the "Company") to be held at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Wednesday, 11th September, 2002 at 3:45 p.m. is set out on pages 3 to 5 of this circular.

Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the registered office of the Company at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

21st August, 2002

LETTER FROM THE BOARD



Melco
International Development Limited
(Incorporated in Hong Kong with limited liability)

Directors:

Dr. Stanley Ho (*Chairman*)
Sir Roger Lobo*
Mr. Robert Kwan*
Mr. Ho Cheuk Yuet**
Mr. Lawrence Ho (*Managing Director*)
Mr. Peter So
Mr. Frank Tsui

Registered Office:

28th Floor, The Centrium
60 Wyndham Street
Central
Hong Kong

21st August, 2002

* *Independent Non-Executive Directors*

** *Non-Executive Director*

To the shareholders,

Dear Sir or Madam,

PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

Pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Companies Ordinance, the directors of a listed company incorporated in Hong Kong shall, before allotting or issuing shares or securities convertible into shares or granting options, warrants or similar rights to subscribe for shares or securities convertible into shares, obtain the prior consent of shareholders in general meeting.

On 17th June, 2002, a general mandate (the “Existing Issue Mandate”) was given by the Company to the directors of the Company (the “Directors”) to issue shares of HK\$1.00 each of the Company (“Shares”) subject to a restriction that the Shares allotted or agreed to be allotted by the Directors pursuant to the Existing Issue Mandate shall, subject to certain exceptions, not exceed (a) 20% of the issued share capital of the Company as at 17th June 2002, and (b) the nominal amount of the Company’s share capital repurchased by the Company pursuant to the general mandate to repurchase Shares given by the Company on 17th June 2002.

Pursuant to the Existing Issue Mandate, the Directors had on 1st August 2002 allotted 24,200,000 Shares to not less than six independent investors (“the Allotment”). After the Allotment, the maximum number of new Shares which may be allotted under the Existing

LETTER FROM THE BOARD

Issue Mandate was almost fully fulfilled. Ordinary Resolutions will be proposed at the Extraordinary General Meeting of the Company to be held on 11th September 2002 (the “Extraordinary General Meeting”) for the grant of a new general mandate to the Directors to issue Shares.

GENERAL MANDATE TO ISSUE SHARES

At the Extraordinary General Meeting, ordinary resolutions set out in the notice of the Extraordinary General Meeting will be proposed which, if passed, will give the Directors a general mandate to issue new Shares representing up to (i) 20 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing the resolution and (ii) the nominal amount of the share capital of the Company repurchased by the Company pursuant to any repurchase mandate in force from time to time (the “New Issue Mandate”).

EXTRAORDINARY GENERAL MEETING

The notice of the Extraordinary General Meeting, which contains ordinary resolutions to approve the New Issue Mandate, is set out on pages 3 to 5 of this circular.

There is enclosed a form of proxy for use at the Extraordinary General Meeting. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time of the Extraordinary General Meeting, whether or not you intend to be present at the Extraordinary General Meeting. Completion and return of the form of proxy will not prevent you from attending and voting in person at the Extraordinary General Meeting should you so wish.

RECOMMENDATION

The Directors consider that the grant of the New Issue Mandate is in the interests of the Company and its shareholders as a whole and accordingly recommend shareholders to vote in favour of the ordinary resolutions to be proposed at the Extraordinary General Meeting to approve the New Issue Mandate.

Yours faithfully,
Lawrence Ho
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



Melco
International Development Limited
(Incorporated in Hong Kong with limited liability)

NOTICE is hereby given that an extraordinary general meeting of Melco International Development Limited will be held at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Wednesday, 11th September 2002 at 3:45 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(I) **“That :**

- (a) subject to paragraph (c) of this Resolution and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Company, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar

NOTICE OF EXTRAORDINARY GENERAL MEETING

arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of :

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and
- (bb) the aggregate nominal amount of share capital of the Company repurchased by the Company after the date of passing this Resolution pursuant to the general mandate to repurchase shares given by the Company to the directors from time to time (subject to a maximum number equivalent to ten per cent. of the then existing issued share capital of the Company),

and the said approval shall be limited accordingly;

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:—

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; and
- iii. the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities), (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (II) “**That** the directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution (I) of the notice of this meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such Resolution.”

By Order of the Board
Samuel Tsang
Secretary

Hong Kong, 21st August, 2002

Notes :

1. A member of the Company entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and on a poll vote in his stead. A proxy need not be a member of the Company.
2. 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 for holding the meeting or adjourned meeting.
3. With regard to the ordinary resolutions mentioned above, the directors wish to state that, currently, they have no plans to issue any additional new shares of the Company (other than pursuant to item (iii) contained in paragraph (c) of the Resolution (I)). The present general mandate to issue shares given by the shareholders has been fulfilled almost to its fullest extent and, accordingly, a fresh general mandate is now being sought.