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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, 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, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 200)

(1) PROPOSAL FOR APPROVING THE AMENDED AND RESTATED STOCK INCENTIVE PLAN OF A SUBSIDIARY

(2) PROPOSAL FOR GRANT OF REPLACEMENT STOCK OPTIONS OF A SUBSIDIARY TO A DIRECTOR

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of Melco International Development Limited (the “Company”) to be held at 30th Floor, Hotel LKF by Rhombus, 33 Wyndham Street, Lan Kwai Fong, Central, Hong Kong on Monday, 13 June 2016 at 11:00 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 10:45 a.m. shall have been concluded or adjourned) is set out on pages 19 to 20 of this circular. Whether or not you are able to attend such meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof (as the case may be) should you so wish.

24 May 2016

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	4
2. Approving the EGT Amended Stock Incentive Plan	5
3. Proposed Grant of Replacement Stock Options to Mr. Chung	8
4. Extraordinary General Meeting	10
5. Recommendation	10
6. Responsibility Statement	11
Appendix – Summary of the Principal Terms of the EGT Amended Stock Incentive Plan	12
Notice of Extraordinary General Meeting	19

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Code”	the Internal Revenue Code of 1986 in the United States of America, as amended
“Common Stock”	the common stock of EGT, par value of US\$0.001 per share
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) whose shares are listed on The Stock Exchange of Hong Kong Limited
“Committee”	the EGT Board or a committee of the EGT Board to which the EGT Board delegates power to administer the EGT Amended Stock Incentive Plan subject to the terms of the EGT Amended Stock Incentive Plan, provided that any Incentive Award granted by such committee, if established, including any amendments or modifications thereto, shall require, and be granted subject to, ratification, by the full EGT Board
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held at 30th Floor, Hotel LKF by Rhombus, 33 Wyndham Street, Lan Kwai Fong, Central, Hong Kong on Monday, 13 June 2016 at 11:00 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 10:45 a.m. shall have been concluded or adjourned)
“EGT”	Entertainment Gaming Asia Inc., a company incorporated in Nevada, the United States of America, with limited liability, the shares of which are listed on the NASDAQ Capital Market and a subsidiary of the Company
“EGT 2008 Stock Incentive Plan”	the stock incentive plan adopted by shareholders of EGT on 8 September 2008 and took effect on 1 January 2009
“EGT Amended Stock Incentive Plan”	the amended and restated stock incentive plan proposed to be approved by EGT’s stockholders, a summary of the principal terms of which is set out in the Appendix to this circular
“EGT Board”	the board of directors of EGT

DEFINITIONS

“EGT’s Subsidiaries”	any entity that is directly or indirectly controlled by EGT or any entity in which EGT has a significant equity interest, as determined by the Committee
“Eligible Recipient”	(i) all employees, officers and directors of EGT or any EGT’s Subsidiary (or prospective employees, officers and directors provided that the grant of an Incentive Award to any such prospective employee, officer or director shall be conditional upon the proposed appointment taking effect) and (ii) any other person who has a relationship with EGT or any EGT’s Subsidiary, such as a consultant or an adviser to EGT or any EGT’s Subsidiary
“Fair Market Value”	with respect to the Common Stock, as of any date: (i) the mean between the reported high and low sale prices of the Common Stock at the end of the regular trading session if the Common Stock is listed, admitted to unlisted trading privileges, or reported on any national securities exchange or on the NASDAQ Global Select or Global Market on such date (or, if no shares were traded on such day, as of the next preceding day on which there was such a trade); or (ii) if the Common Stock is not so listed, admitted to unlisted trading privileges, or reported on any national exchange or on the NASDAQ Global Select or Global Market, the closing bid price as of such date at the end of the regular trading session, as reported by the Nasdaq Capital Market, OTC Bulletin Board, the National Quotation Bureaus, Inc., or other comparable service; or (iii) if the Common Stock is not so listed or reported, such price as the Committee determines in good faith in the exercise of its reasonable discretion
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Incentive Award”	an Option, Restricted Stock Award or Performance Stock Award granted to an Eligible Recipient pursuant to the EGT Amended Stock Incentive Plan
“Incentive Stock Option”	a right to purchase Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan that qualifies as an “incentive stock option” within the meaning of Section 422 of the Code

DEFINITIONS

“Latest Practicable Date”	18 May 2016, 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, as amended from time to time
“Melco Approval Date”	the date on which such resolution of the Shareholders approving the EGT Amended Stock Incentive Plan is passed
“Mr. Chung”	Mr. Chung Yuk Man, Clarence, an executive Director and the Chairman of the board of directors, President and Chief Executive Officer of EGT
“Non-Statutory Stock Option”	a right to purchase Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan that does not qualify as an Incentive Stock Option
“Option”	an Incentive Stock Option or a Non-Statutory Stock Option
“Participant”	an Eligible Recipient who receives one or more Incentive Awards under the EGT Amended Stock Incentive Plan
“Performance Stock Awards”	an award of Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan and which may be subject to the future achievement of performance criteria or be free of any performance or vesting conditions
“Proposed Grant of Options to Mr. Chung”	the proposed grant of Options to subscribe for 285,625 shares of Common Stock under the EGT Amended Stock Incentive Plan to Mr. Chung
“Restricted Stock Award”	an award of Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan that is subject to the restrictions on transferability and the risk of forfeiture imposed by the provisions of the EGT Amended Stock Incentive Plan
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 200)

Executive Directors:

Mr. Ho, Lawrence Yau Lung

(Chairman and Chief Executive Officer)

Mr. Tsui Che Yin, Frank

Mr. Chung Yuk Man, Clarence

Registered office:

38th Floor, The Centrium

60 Wyndham Street

Central

Hong Kong

Non-executive Director:

Mr. Ng Ching Wo

Independent Non-executive Directors:

Mr. Chow Kwong Fai, Edward

Mr. Sham Sui Leung, Daniel

Dr. Tyen Kan Hee, Anthony

24 May 2016

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR APPROVING
THE AMENDED AND RESTATED STOCK INCENTIVE PLAN
OF A SUBSIDIARY**

**(2) PROPOSAL FOR GRANT OF REPLACEMENT STOCK OPTIONS
OF A SUBSIDIARY TO A DIRECTOR**

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

As announced by the Company on 1 December 2014, the Company increased its indirect shareholding in EGT from approximately 38.04% of the outstanding shares of Common Stock to approximately 64.81% of the outstanding shares of Common Stock pursuant to EGT's rights issue which was completed on 26 November 2014. EGT became a subsidiary of the Company from completion of EGT's rights issue.

LETTER FROM THE BOARD

EGT adopted its existing stock incentive plan on 8 September 2008. EGT proposes to amend the EGT 2008 Stock Incentive Plan to comply with the applicable requirements of Chapter 17 of the Listing Rules. The Directors propose to put the EGT Amended Stock Incentive Plan to the Shareholders for approval at the EGM. As at the Latest Practicable Date, the Company was indirectly holding 9,378,074 shares of Common Stock, representing approximately 64.84% of the outstanding shares of Common Stock. As EGT is a subsidiary of the Company, the EGT Amended Stock Incentive Plan constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the EGT Amended Stock Incentive Plan is subject to the approval of the Shareholders in accordance with Rule 17.02(1)(a) of the Listing Rules.

Subject to the EGT Amended Stock Incentive Plan being approved by the Shareholders at the EGM and by the Company as the majority shareholder of EGT, the EGT Board is proposing to grant Options under the EGT Amended Stock Incentive Plan to Mr. Chung, to subscribe for 285,625 shares of Common Stock to replace the existing stock options granted to him under the EGT 2008 Stock Incentive Plan and the Amended and Restated 1999 Directors' Stock Option Plan, none of which have been exercised or lapsed since they were granted.

As the Proposed Grant of Options to Mr. Chung would result in the total number of shares of Common Stock issued and to be issued upon exercise of all options granted and to be granted to Mr. Chung (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of grant representing in aggregate over 1% of the shares in Common Stock in issue, the Proposed Grant of Options to Mr. Chung is subject to the approval of the Shareholders as required under the Note to Rule 17.03(4) of the Listing Rules.

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the EGM which will be convened for the purpose of considering and if thought fit, approving the EGT Amended Stock Incentive Plan and the Proposed Grant of Options to Mr. Chung. A notice of the EGM is set out on pages 19 and 20 to this circular.

2. APPROVING THE EGT AMENDED STOCK INCENTIVE PLAN

At the EGM, an ordinary resolution will be proposed for the Company to approve the EGT Amended Stock Incentive Plan. The purpose of the EGT Amended Stock Incentive Plan is to advance the interests of EGT and its stockholders by enabling EGT and its subsidiaries to attract and retain qualified individuals through opportunities for equity participation, and to reward those individuals who contribute to the achievement of economic objectives.

An Incentive Award granted to an Eligible Recipient pursuant to the EGT Amended Stock Incentive Plan may be an Option, a Restricted Stock Award or a Performance Stock Award. The shares of Common Stock to be issued by EGT upon the exercise of the Options, and the Common Stock to be granted under the Restricted Stock Awards and the Performance Stock Awards, represent new shares of Common Stock to be issued by EGT. As at the Latest Practicable Date, the total number of issued shares of Common Stock is 14,464,220. The maximum aggregate number of shares of Common Stock authorised for issuance under the EGT Amended Stock Incentive Plan pursuant to all Incentive Awards is 1,250,000, representing approximately 8.64% of the outstanding shares of Common Stock as at the Latest Practicable Date.

LETTER FROM THE BOARD

Regarding the Options, the EGT Amended Stock Incentive Plan does not provide for a minimum period for which an Option must be held before it can be exercised. There is no performance target specified in the EGT Amended Stock Incentive Plan, although the Committee may at its absolute discretion specify the performance targets, if any, which must be achieved before an Option can be exercised. The basis for determining the exercise price of an Option complies with the requirements of Rule 17.03(9) of the Listing Rules and is specified in the EGT Amended Stock Incentive Plan. The Directors consider that the aforesaid terms of the EGT Amended Stock Incentive Plan will serve to encourage Participants to participate in the EGT Amended Stock Incentive Plan.

Regarding the Restricted Stock Awards and Performance Stock Awards, the EGT Amended Stock Incentive Plan does not provide for a minimum period for which the awards must be held before they are vested. There is no performance target specified in the EGT Amended Stock Incentive Plan, although the Committee may at its absolute discretion specify the performance targets, if any, that must be achieved before the awards are vested.

As at the Latest Practicable Date, there were 14,464,220 shares of Common Stock in issue. Assuming that no further shares of Common Stock will be allotted, issued or repurchased prior to the EGM, and without prejudice to the overall limit on the maximum number of 1,250,000 shares of Common Stock available for issuance under the EGT Amended Stock Incentive Plan referred to above, the total number of shares of Common Stock issuable pursuant to the EGT Amended Stock Incentive Plan on the Melco Approval Date would be 1,446,422 shares of Common Stock, representing 10% of the outstanding shares of Common Stock as at the Melco Approval Date.

The Board considers that it is not appropriate to state the value of all Options that can be granted pursuant to the EGT Amended Stock Incentive Plan as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the exercise price, exercise period, lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

On 29 April 2016, the EGT Board approved the EGT Amended Stock Incentive Plan, which is conditional upon (i) approval by the Shareholders at the EGM; and (ii) approval by the Company as the majority shareholder of EGT. It is proposed that the Company as the majority shareholder of EGT would approve the EGT Amended Stock Incentive Plan on 14 June 2016, being the business day in the United States of America immediately following the date of the EGM. No shares shall be granted unless and until EGT Amended Stock Incentive Plan is approved by a resolution of the Shareholders in accordance with the requirements of the Listing Rules.

Subject to the obtaining of Shareholders' approval with respect to the approving of the EGT Amended Stock Incentive Plan at the EGM, the total number of shares of Common Stock which may be issued upon exercise of all Options to be granted under the EGT Amended Stock Incentive Plan must not in aggregate exceed 10% of the shares of Common Stock outstanding on the Melco Approval Date, unless the Company obtains a fresh approval from Shareholders to renew the 10% limit on the basis that the maximum number of shares in respect of which Options may be granted under the EGT Amended Stock Incentive Plan together with any Options outstanding and yet to be exercised under the EGT Amended Stock Incentive Plan and any other employee stock option plans of EGT shall not exceed 30% of shares of Common Stock outstanding from time to time.

LETTER FROM THE BOARD

The EGT Amended Stock Incentive Plan will amend the EGT 2008 Stock Incentive Plan. In addition, EGT previously had two other stock options plans, namely the Amended and Restated 1999 Stock Option Plan and the Amended and Restated 1999 Directors' Stock Option Plan, both of which expired in January 2009. Therefore, upon the EGT Amended Stock Incentive Plan taking effect, EGT will not have any other employee stock option plans. However, the options previously granted under the EGT 2008 Stock Incentive Plan and the expired stock option plans which have not been cancelled or lapsed shall remain outstanding.

In accordance with and subject to the provisions of the EGT Amended Stock Incentive Plan, the Committee will have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as consistent with the terms of the EGT Amended Stock Incentive Plan, including, without limitation, the following: (i) the Eligible Recipients to be selected as Participants; (ii) the nature and extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which Incentive Awards will vest or become exercisable and whether Incentive Awards will be granted in tandem with other Incentive Awards) and the form of written agreement, if any, evidencing such Incentive Award; (iii) the time or times when Incentive Awards will be granted; (iv) the duration of each Incentive Award, provided that the exercise period in respect of Options must not be more than 10 years from the date of grant of the Option; (v) the performance targets, if any, that must be achieved before Incentive Awards can vest or be exercised; (vi) the amount, if any, payable on application or acceptance of an Incentive Award and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and (vii) the restrictions and other conditions to which the payment, vesting or exercise of Incentive Awards may be subject. In addition, the Committee will have the authority under the EGT Amended Stock Incentive Plan in its sole discretion to pay the economic value of any Incentive Award in the form of cash, Common Stock or any combination of both.

With respect to the operation of the EGT Amended Stock Incentive Plan, EGT and the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules, the United States Securities Act of 1933 and other applicable securities laws.

None of the Directors is a trustee of the EGT Amended Stock Incentive Plan or has a direct or indirect interest in the trustee.

Following the approval by the Shareholders and the approval by the Company as the majority shareholder of EGT of the EGT Amended Stock Incentive Plan, EGT may grant Options to Eligible Recipients under the EGT Amended Stock Incentive Plan to replace the stock options previously granted to them under the EGT 2008 Stock Incentive Plan, the Amended and Restated 1999 Stock Option Plan or the Amended and Restated 1999 Directors' Stock Option Plan (as the case may be), subject to the written consent of the respective Eligible Recipients to surrender and cancel the same number of stock options previously granted to them under the EGT 2008 Stock Incentive Plan, the Amended and Restated 1999 Stock Option Plan or the Amended and Restated 1999 Directors' Stock Option Plan (as the case may be), consistent with an option exchange on a one-for-one basis.

A summary of the principal terms of the EGT Amended Stock Incentive Plan which is proposed to be approved by the Company at the EGM is set out in the Appendix to this circular on pages 12 to 18. A copy of the proposed EGT Amended Stock Incentive Plan is available for inspection at the Company's registered office at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong during normal business hours from the date hereof up to the date of the EGM.

LETTER FROM THE BOARD

3. PROPOSED GRANT OF REPLACEMENT STOCK OPTIONS TO MR. CHUNG

During the period from 22 January 2008 to 2 January 2014, Mr. Chung was granted stock options of EGT under the EGT 2008 Stock Incentive Plan and the Amended and Restated 1999 Directors' Stock Option Plan to subscribe for an aggregate of 285,625 shares of Common Stock at exercise prices ranging from US\$2.72 to US\$73.44 per share. None of those stock options have been exercised or lapsed since they were granted.

In view of the fact that the exercise prices of the stock options granted to Mr. Chung under the EGT 2008 Stock Incentive Plan and the Amended and Restated 1999 Directors' Stock Option Plan (ranging from US\$2.72 to US\$73.44 per share) are significantly higher than the current market price of the shares of EGT, the share options previously granted to Mr. Chung can no longer serve the purpose of providing incentives or rewards to him. Subject to the EGT Amended Stock Incentive Plan being approved by the Shareholders at the EGM and by the Company as the majority shareholder of EGT, the EGT Board is proposing to grant Options under the EGT Amended Stock Incentive Plan to Mr. Chung to subscribe for 285,625 shares of Common Stock at the exercise price of US\$1.94 per share of Common Stock, to replace the existing stock options granted to him under the EGT 2008 Stock Incentive Plan and the Amended and Restated 1999 Directors' Stock Option Plan. The replacement by the Options, by bringing the exercise price to the current trading price level of the shares of EGT, will better serve the purpose of the stock option plan of EGT in providing incentives or rewards to Mr. Chung for his contributions to EGT and its subsidiaries.

Details of the Proposed Grant of Options to Mr. Chung are as follows:

Date of grant	:	29 April 2016 (pursuant to Rule 17.04(3)(a) of the Listing Rules, the date of the written resolutions passed by the EGT Board approving the Proposed Grant of Options to Mr. Chung is to be taken as the date of grant)
Grantee	:	Mr. Chung
Exercise price of the Options granted	:	US\$1.94 per share of Common Stock, calculated in accordance with the requirements of the EGT Amended Stock Incentive Plan, as described in Section 8 (Exercise Price) of the Appendix to this circular.
Number of Options granted	:	285,625
Number of shares of Common Stock to be issued upon full exercise of the Options granted	:	285,625 (representing approximately 1.97% of the total number of shares of Common Stock in issue as at the Latest Practicable Date)
Validity period	:	10 years from the date of grant

LETTER FROM THE BOARD

Vesting period	:	The Options shall be exercisable as to (i) up to 50% immediately after 12 months from the date of grant; (ii) up to an additional 25% immediately after 24 months from the date of grant; and (iii) up to the remaining 25% immediately after 36 months from the date of grant.
Performance targets	:	Mr. Chung shall not be subject to any performance targets before being able to exercise his rights under the Options.
Amount payable on acceptance of the Options	:	No payment is required on acceptance of the Options by Mr. Chung.
Acceptance	:	Mr. Chung shall only be permitted to accept the Options on an all-or-none basis.

The shares of Common Stock to be allotted and issued upon exercise of the Options by Mr. Chung shall rank *pari passu* with the shares of Common Stock then in issue in all respects, including voting rights, entitlement to dividends, transfer and other rights (including those arising on a liquidation of EGT) paid or made on or after the relevant exercise date of the Options. The Options themselves, however, do not carry any right to voting, dividend, transfer or other rights (including those arising on the liquidation of EGT) prior to their being exercised and the underlying shares of Common Stock being issued.

The Proposed Grant of Options to Mr. Chung is subject to: (1) Mr. Chung's written consent to surrender and cancel the share options to subscribe for 285,625 shares of Common Stock granted to him under the EGT 2008 Stock Incentive Plan and the Amended and Restated 1999 Directors' Stock Option Plan; (2) the approval by the Shareholders and the approval of the Company as the majority shareholder of EGT of the EGT Amended Stock Incentive Plan; and (3) the approval by the Shareholders of the Proposed Grant of Options to Mr. Chung.

On 17 May 2016, Mr. Chung gave his written consent to surrender and cancel the 285,625 share options granted to him under the EGT 2008 Stock Incentive Plan and the Amended and Restated 1999 Directors' Stock Option Plan, subject to the fulfilment of the conditions set out in (2) and (3) in the immediately preceding paragraph.

As Mr. Chung is an executive Director, the Proposed Grant of Options to Mr. Chung was approved by all the independent non-executive Directors on 29 April 2016 in accordance with Rule 17.04(1) of the Listing Rules.

In addition, pursuant to the Note to Rule 17.03(4) of the Listing Rules and the EGT Amended Stock Incentive Plan, where any grant of stock options to a grantee would result in the shares of Common Stock issued and to be issued upon exercise of all stock options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares of Common Stock in issue, such further grant must be separately approved by Shareholders in general meeting.

LETTER FROM THE BOARD

As at 29 April 2016 (the date of the written resolutions passed by the EGT Board approving the Proposed Grant of Options to Mr. Chung, which is taken as the date of grant), there were 14,464,220 shares of Common Stock in issue. The grant of Options to subscribe for 285,625 shares of Common Stock (representing approximately 1.97% of the shares of Common Stock in issue) to Mr. Chung will result in the shares of Common Stock to be issued upon exercise in full of the stock options granted and to be granted to Mr. Chung in the 12-month period up to and including the date of grant representing in aggregate over 1% of the shares of Common Stock in issue. Accordingly, the Company proposes to seek the approval of the Proposed Grant of Options to Mr. Chung by the Shareholders at the EGM.

4. EXTRAORDINARY GENERAL MEETING

The EGM notice is set out on pages 19 to 20 to this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll and results of the poll must be announced. The resolutions proposed at the EGM would be voted upon by the Shareholders by poll.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon to the registered office of the Company at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

No Shareholder is required to abstain from voting with respect to the resolution for approving the EGT Amended Stock Incentive Plan put to vote at the EGM.

As required under the Note to Rule 17.03(4) of the Listing Rules, Mr. Chung and his associates must abstain from voting with respect to the resolution for approving the Proposed Grant of Options to Mr. Chung put to vote at the EGM. As at the Latest Practicable Date, Mr. Chung and his associates held in aggregate 3,260,440 shares of the Company, representing approximately 0.21% of issued shares of the Company.

5. RECOMMENDATION

The EGT Board believes that the adoption of the EGT Amended Stock Incentive Plan by EGT can align the interests of the Eligible Recipients with the interests of EGT and EGT's Subsidiaries and that the EGT Amended Stock Incentive Plan will provide a flexible and effective means to enable EGT to recognize the hard work, commitment, contribution and potential contribution of the Eligible Recipients. The Board believes that the proposed amendments to the EGT Amended Stock Incentive Plan are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution for approving the EGT Amended Stock Incentive Plan to be proposed at the EGM.

LETTER FROM THE BOARD

The Board (including all the independent non-executive Directors) considers that the terms of the Proposed Grant of Options to Mr. Chung are fair and reasonable so far as the Shareholders are concerned, and that the Proposed Grant of Options to Mr. Chung is in the best interests of the Company and the Shareholders as a whole. Therefore, the Board (including all the independent non-executive Directors but excluding Mr. Chung who was required to abstain from voting on the resolution of the Board to approve the Proposed Grant of Options to Mr. Chung) recommends the Shareholders to vote in favour of the resolution for approving the Proposed Grant of Options to Mr. Chung to be proposed at the EGM.

6. 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.

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

The following is a summary of the principal terms of the EGT Amended Stock Incentive Plan proposed to be approved at the EGM. This summary does not form part of, nor is it intended to affect the interpretation of, the rules of the EGT Amended Stock Incentive Plan:

1. Purpose

The purpose of the EGT Amended Stock Incentive Plan is to advance the interests of EGT and its stockholders by enabling EGT and its subsidiaries to attract and retain qualified individuals through opportunities for equity participation, and to reward those individuals who contribute to the achievement of economic objectives.

2. Types of Incentive Awards

The Incentive Awards that may be granted under the EGT Amended Stock Incentive Plan include Incentive Stock Options, Non-Statutory Stock Options, Performance Stock Awards and Restricted Stock Awards.

- (a) *Incentive Stock Options.* Incentive stock options are rights to purchase Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan that qualifies as “incentive stock options” within the meaning of the Code.
- (b) *Non-Statutory Stock Options.* Non-statutory stock options are rights to purchase Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan that do not qualify as incentive stock options.
- (c) *Performance Stock Awards.* Performance stock awards are awards of Common Stock granted to an Eligible Recipient under the EGT Amended Stock Incentive Plan and which may be subject to the future achievement of performance criteria or be free of any performance or vesting conditions.
- (d) *Restricted Stock Awards.* Restricted stock awards are awards of Common Stock granted to an Eligible Recipient that is subject to the restrictions on transferability and the risk of forfeiture imposed by the provisions of the EGT Amended Stock Incentive Plan.

The key differences between Restricted Stock Awards and Performance Stock Awards can be summarized as follows:

- (a) Pursuant to grants of Restricted Stock Awards, shares are issued up front at grant and the Participant owns and can vote the shares. However, the Participant cannot sell or transfer the shares until the restrictions lapse at vesting. The shares may be retained in the possession of EGT or its transfer agent until vesting occurs. Vesting usually happens after a specified length of employment.

- (b) Pursuant to grants of Performance Stock Awards, shares are not issued up front and are usually part of a long-term performance or incentive plan. The Participant earns payout in shares by meeting targets that are either absolute or relative to the performance of EGT's or the Participant's peers. Shares vest or are delivered upon the meeting of the performance goals. Even after the shares are paid out for meeting pre-established performance goals, the shares can then include time vesting rules that require continued employment.

Restricted Stock Awards and Performance Stock Awards do not involve the granting of any stock options and are in substance providing for deferred compensation to Eligible Recipients as part of their remuneration package.

The Company will assess the implication of and comply with the relevant requirements under Chapter 14 and 14A of the Listing Rules if any new shares of Common Stock are issued pursuant to any Incentive Awards, other than Options, under the EGT Amended Stock Incentive Plan.

3. Eligibility

All employees, officers and directors of EGT or any EGT's Subsidiary (or prospective employees, officers and directors provided that the grant of an Incentive Award to any such prospective employee, officer or director shall be conditional upon the proposed appointment taking effect) and any person who has a relationship with EGT or any EGT's Subsidiary, such as a consultant or an adviser to EGT or any EGT's Subsidiary, will be eligible to receive Incentive Awards under the EGT Amended Stock Incentive Plan.

4. Administration

The EGT Amended Stock Incentive Plan will be administered by the Committee. The Committee will have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as consistent with the terms of the EGT Amended Stock Incentive Plan, including but not limited to, designating Eligible Recipients, determining the number and types of Incentive Awards to be granted, and determining the terms and conditions of each Incentive Award grant. To the extent the authority under the EGT Amended Stock Incentive Plan is exercised by a committee of the EGT Board to which the EGT Board delegates power, any decision made or action taken by such Committee shall require ratification by the full EGT Board, unless the EGT Board determines otherwise. Participants will be those Eligible Recipients who, in the judgment of the Committee, have contributed, are contributing or are expected to contribute to the achievement of economic objectives of EGT or its subsidiaries. Eligible Recipients may be granted from time to time one or more Incentive Awards, singly or in combination or in tandem with other Incentive Awards, as may be determined by the Committee in its sole discretion.

5. Plan Limit

Subject to any adjustment as provided for in Section 14 (Adjustments) below, the maximum number of shares of Common Stock authorised for issuance under the EGT Amended Stock Incentive Plan is 1,250,000.

Without prejudice to the overall limit on the maximum number of 1,250,000 shares of Common Stock available for issuance under the EGT Amended Stock Incentive Plan referred to above, the shares of Common Stock which may be issued upon exercise of all Options to be granted under the EGT Amended Stock Incentive Plan and all other employee stock option plans of EGT shall not exceed 10% of the shares of Common Stock in issue on the Melco Approval Date (the “**Options Mandate Limit**”). Assuming that no further share of Common Stock will be allotted, issued or repurchased prior to the EGM, the total number of shares of Common Stock issuable pursuant to the EGT Amended Stock Incentive Plan on the date of its approval would be 1,446,422 shares of Common Stock, representing 10% of the outstanding shares of Common Stock as at the Melco Approval Date.

EGT may renew the Options Mandate Limit at any time subject to prior approval by a resolution of the shareholders of the Company. However, the Options Mandate Limit as renewed shall not exceed 10% of the shares of Common Stock in issue as at the Melco Approval Date. Options previously granted under the EGT Amended Stock Incentive Plan and under any other employee stock option plans (including those outstanding, cancelled or lapsed in accordance with the EGT Amended Stock Incentive Plan or other employee stock option plans, exercised) shall not be counted towards the Options Mandate Limit as renewed. A circular with the relevant information as required under the Listing Rules must be sent to Shareholders in connection with the meeting at which their approval will be sought.

The overall limit on the number of shares of Common Stock which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the EGT Amended Stock Incentive Plan and all other employee stock option plans of EGT must not exceed 30% of the outstanding shares of Common Stock (the “**Options Limit**”). No Options may be granted under the EGT Amended Stock Incentive Plan at any time if such grant would result in the Options Limit being exceeded.

6. Maximum Entitlement of Options Holders

The total number of shares of Common Stock issued and to be issued upon exercise of the Options granted to any Eligible Recipient in any 12-month period must not exceed 1% of the shares of Common Stock in issue at the relevant time, unless the approval of the Shareholders is obtained in accordance with the Listing Rules.

Any proposed grant of Options to any director, chief executive or substantial shareholder of the Company shall be subject to the approval of the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the proposed grantee of the Option).

Where any grant of Options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares of Common Stock issued and to be issued upon exercise of all Options already granted and to be granted to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of Common Stock in issue, and having an aggregate value, based on the Fair Market Value of the Common Stock on the date of grant of the relevant Options, in excess of HK\$5 million, the approval of the Shareholders shall be obtained in accordance with the Listing Rules. The grantee, his

associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting at such general meeting, except that any such persons may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith. The circular for the Shareholders' approval of the grant of the aforementioned Options shall contain information required under Rule 17.04(3) of the Listing Rules.

7. Options Periods and Payments

An Option will become exercisable at such times and in such installments and upon such terms and conditions as may be determined by the Committee in its sole discretion, including but not limited to the achievement of one or more of the performance criteria; the minimum period, if any, for which an Option must be held before it can be exercised; and the form of payment of exercise price. In no case may an Option be exercisable after 10 years from its date of grant.

8. Exercise Price

The per share price to be paid by a Participant upon exercise of an Option will be determined by the Committee in its discretion at the time when the grant of the Option is approved by the Committee, provided, however, that such price will not be less than the higher of (i) 100% of the Fair Market Value of one share of Common Stock on the date on which the Committee approves the grant of the relevant Option, which must be a business day in the United States of America; and (ii) the average Fair Market Value of one share of Common Stock for the five business days in the United States of America immediately preceding the date on which the Committee approves the grant of the relevant Option. Notwithstanding the above, if at the time such Option is granted, the Participant owns, directly or indirectly, more than 10% of the total combined voting power of all classes of stock of EGT or any parent or subsidiary corporation of EGT, the per share price to be paid shall be 110% of the Fair Market Value with respect to an Option.

9. Cancellation of Unexercised Options

Options granted but not exercised during the period determined by the Committee for the exercise of the relevant Options shall lapse on the expiry of that period and be cancelled.

10. Transferability

Except pursuant to testamentary will or the laws of descent and distribution, no right or interest of any Participant in an Incentive Award will be assignable or transferable.

11. Rights on Death or Disability

In the event a Participant's employment or other service with EGT and all EGT's Subsidiaries is terminated by reason of death or disability, all Options then vested and held by the Participant will remain exercisable for a period of 12 months after such termination (but in no event after the expiration date of any such Option) and all Options then held by such Participant that have not vested shall be terminated and forfeited.

12. Rights on Retirement

In the event a Participant's employment or other service with EGT and all EGT's Subsidiaries is terminated by reason of retirement, all outstanding Options then held by the Participant will cease to be exercisable and will be terminated and forfeited on termination of the Participant's employment or other service by reason of retirement unless the Committee otherwise determines, in which event the Options shall be exercisable to the extent and within such period as the Committee may determine.

13. Rights on Ceasing Employment

In the event a Participant's employment or other service is terminated with EGT and all EGT's Subsidiaries for any reason other than death, disability or retirement, or a Participant is in the employ of an EGT's Subsidiary and the EGT's Subsidiary ceases to be a subsidiary of EGT (unless the Participant continues in the employ of EGT or another EGT's Subsidiary), all outstanding Options then held by the Participant will cease to be exercisable and will be terminated and forfeited on termination of the Participant's employment or other service or the subsidiary ceasing to be a subsidiary of EGT (as the case may be) unless the Committee otherwise determines, in which event the Options shall be exercisable to the extent and within such period as the Committee may determine, and all Restricted Stock Awards and all outstanding Performance Stock Awards then held by the Participant that have not vested as of such termination will be terminated and forfeited.

Notwithstanding the other provisions of the EGT Amended Stock Incentive Plan, upon the termination of service of a non-employee director of EGT (for any reason) (i) all Options then held by such director that have vested as of the termination of service shall remain exercisable for their term and all Options then held by such director that have not vested as of the termination of service shall remain outstanding, first become exercisable according to the vesting schedule in place at the time of termination of service and remain exercisable for their term; and (ii) all of such director's Restricted Stock Awards and Performance Stock Awards that have not vested as of such termination of service will be terminated and forfeited. In addition, notwithstanding the other provisions of the EGT Amended Stock Incentive Plan, upon a Participant's termination of employment or other service with EGT otherwise than for cause, the Committee may, in its sole discretion (which may be exercised in connection with the grant or after the date of grant, including following such termination), cause Options (or any part thereof) then held by such Participant to become or continue to become exercisable and/or remain exercisable following such termination of employment or service, and Restricted Stock Awards and Performance Stock Awards then held by such Participant may vest and/or continue to vest or become free of restrictions and conditions to issuance, as the case may be, following such termination of employment or service, in each case in the manner determined by the Committee.

14. Adjustments

In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, reduction of capital, rights issue, capitalization issue or any other change in the corporate structure of shares of EGT, the Committee will make appropriate adjustment as to the number and kind of securities or other property subject to outstanding Incentive Awards and the exercise price of outstanding Options in order to prevent dilution or enlargement of the rights of the Participants. Such adjustment must give the Participant holding the relevant Options the same proportion of the equity capital of EGT as that to which the Participant was previously entitled, but no such adjustment may be made to the extent that a share of Common Stock would be issued at less than its par value (if any). Other than an adjustment made on a capitalization issue, an independent financial adviser or the Company's auditor must confirm to the Directors that the adjustment satisfies the aforesaid requirements.

15. Rights

No Incentive Award (other than Restricted Stock Award) gives the Participant any of the rights of a stockholder of EGT (including the voting, dividend, transfer and other rights, including those arising on a liquidation of EGT, attaching to the stock of EGT), unless and until such Incentive Awards are exercised for, or paid in the form of, shares of Common Stock and the Participant becomes the holder of record of such shares.

16. Change in Control

In the event of a change in the control of EGT, (a) all Options that have been granted will become immediately exercisable in full and will remain exercisable in accordance with their terms; (b) all Restricted Stock Awards that have been granted will become immediately fully vested and non-forfeitable; and (c) any conditions to the issuance of shares of Common Stock pursuant to Performance Stock Awards will lapse.

17. Amendment and Termination

Subject to applicable laws or regulations, the EGT Board may suspend or terminate the EGT Amended Stock Incentive Plan or any portion thereof at any time, and may amend the EGT Amended Stock Incentive Plan from time to time in such respects as the EGT Board may deem advisable. If required by any applicable law or regulations, the approval of stockholders of EGT for the amended plan shall be obtained. Any requirements of the Listing Rules which are applicable to any such amendment to the EGT Amended Stock Incentive Plan must be complied with such that making the amendment would not violate the Listing Rules. Those specific provisions of the EGT Amended Stock Incentive Plan which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants. Any change to the authority of the Committee in relation to any alteration to the terms of the EGT Amended Stock Incentive Plan must be approved by the Shareholders. Any amendments or

modifications to the terms and conditions of the EGT Amended Stock Incentive Plan which are of a material nature or any change to the terms of Options granted, must be approved by the Shareholders, except where the amendments or modifications take effect automatically under the existing terms of the EGT Amended Stock Incentive Plan. The amended or modified terms and conditions of the EGT Amended Stock Incentive Plan shall comply with the relevant requirements of Chapter 17 of the Listing Rules from time to time.

No termination, suspension or amendment of the EGT Amended Stock Incentive Plan may adversely affect any outstanding Incentive Award without the consent of the affected Participant.

18. Expiration

The EGT Amended Stock Incentive Plan will terminate at midnight on a date which is the 10th anniversary of the date of approval of the EGT Amended Stock Incentive Plan by EGT's stockholders less one day. No Incentive Awards will be granted after termination of the EGT Amended Stock Incentive Plan.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 200)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that the extraordinary general meeting of Melco International Development Limited (the “**Company**”) will be held at 30th Floor, Hotel LKF by Rhombus, 33 Wyndham Street, Lan Kwai Fong, Central, Hong Kong on Monday, 13 June 2016 at 11:00 a.m. (or so soon thereafter as the annual general meeting of the Company convened on the same day and at the same place at 10:45 a.m. shall have been concluded or adjourned) to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** the amended and restated stock incentive plan of Entertainment Gaming Asia Inc. (the “**EGT Amended Stock Incentive Plan**”), a copy of which is tabled at the meeting and 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 EGT Amended Stock Incentive Plan.”
2. “**THAT** subject to the approval of ordinary resolution numbered 1 above, the grant of options under the EGT Amended Stock Incentive Plan (“**Options**”) to Mr. Chung Yuk Man, Clarence to subscribe for 285,625 shares of common stock of Entertainment Gaming Asia Inc. with par value of US\$0.001 per share (the “**EGT Shares**”) 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 grant of the Options to Mr. Chung Yuk Man, Clarence and the issue of the EGT Shares upon the exercise of the Options by Mr. Chung Yuk Man, Clarence.”

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

Hong Kong, 24 May 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

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

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. For determining the entitlement to attend and vote at the extraordinary general meeting, the register of members of the Company will be closed from Wednesday, 8 June 2016 to Monday, 13 June 2016 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above extraordinary general meeting, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 7 June 2016.
4. In accordance with the Listing Rules, voting on the above resolutions will be taken by poll.