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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code : 200)

**GRANT OF SHARE OPTIONS AND SHARE AWARD
IN REPLACEMENT OF PREVIOUSLY GRANTED SHARE OPTIONS
AND
GRANT OF NEW SHARE OPTIONS**

The Board announces that:

- (i) the Previously Granted Share Options will be cancelled;
- (ii) subject to the Previously Granted Share Options being cancelled, the Replacement Share Options and Replacement Share Award will be granted to the Grantees in replacement of the Previously Granted Share Options held by them respectively; and
- (iii) the New Share Options will be granted.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

CANCELLATION OF PREVIOUSLY GRANTED SHARE OPTIONS AND GRANT OF REPLACEMENT SHARE OPTIONS AND REPLACEMENT SHARE AWARD

The board (the “**Board**”) of directors (the “**Directors**”) of Melco International Development Limited (the “**Company**”) announces that it has resolved to effect the following on 8 April 2016:

- (1) to cancel the share options granted to its Directors, employees and consultants (the “**Grantees**”) on 2 April 2013, 3 April 2014, 29 August 2014 and 8 April 2015 to subscribe for a total of 15,722,000 ordinary shares in the share capital of the Company (the “**Shares**”) (the “**Previously Granted Share Options**”) under the share option scheme adopted by the Company on 30 May 2012 (the “**Share Option Scheme**”), all

of which have not been exercised or lapsed since they were granted, subject to the written consent of the Grantees to cancel their respective Previously Granted Share Options being given; and

- (2) to replace the Previously Granted Share Options by granting to the Grantees (i) new share options (the “**Replacement Share Options**”) to subscribe for Shares under the Share Option Scheme; and (ii) a new share award (the “**Replacement Share Award**”) pursuant to the Share Purchase Scheme adopted by the Company on 18 October 2007 (the “**Share Purchase Scheme**”), subject to the Previously Granted Share Options being cancelled.

Subject to the written consent of the respective Grantees being given, the Previously Granted Share Options will be cancelled and cease to have any effect and will be replaced by the Replacement Share Options and Replacement Share Award. If a Grantee does not agree to the cancellation of his/her Previously Granted Share Options, the Previously Granted Share Options held by him/her will not be cancelled and no Replacement Share Options or Replacement Share Award (as the case may be) will be granted to him/her.

Details of the Replacement Share Options are as follows:

Date of grant	:	8 April 2016
Exercise price of Replacement Share Options	:	HK\$10.24
Number of Replacement Share Options	:	12,722,000
Closing price of the Shares on the date of grant	:	HK\$9.99
Validity period of the Replacement Share Options	:	Ten years, from 8 April 2016 to 7 April 2026
Vesting date of the Replacement Share Options	:	(i) 3,193,000 Replacement Share Options granted may be exercised on or after 8 April 2016; (ii) another 3,187,000 Replacement Share Options granted may be exercised on or after 8 April 2017; (iii) a further 3,176,000 Replacement Share Options granted may be exercised on or after 8 April 2018; and (iv) the remaining 3,166,000 Replacement Share Options granted may be exercised on or after 8 April 2019.

Among the Replacement Share Options granted above, 5,053,000 Replacement Share Options will be granted to Directors, with details as follows:

<u>Name of Grantee</u>	<u>Position held with the Company</u>	<u>Number of Replacement Share Options</u>
Mr. Tsui Che Yin, Frank	Executive Director	1,956,000
Mr. Chung Yuk Man, Clarence	Executive Director	1,963,000
Mr. Ng Ching Wo	Non-executive Director	380,000
Mr. Sham Sui Leung, Daniel	Independent Non-executive Director	377,000
Dr. Tyen Kan Hee, Anthony	Independent Non-executive Director	377,000

Among the Previously Granted Share Options, the share options in respect of 3,000,000 Shares held by Mr. Ho, Lawrence Yau Lung (“**Mr. Lawrence Ho**”), the Chairman and Chief Executive Officer and a substantial shareholder of the Company, will be cancelled and cease to have effect and will be replaced by Replacement Share Award, subject to Mr. Lawrence Ho’s written consent. No Replacement Share Options will be granted to Mr. Lawrence Ho. For details of the Replacement Share Award and the new share award granted to Mr. Lawrence Ho under the Share Purchase Scheme on 8 April 2016, please refer to the disclosure of interests forms (Form 3A) which have been filed with The Stock Exchange of Hong Kong Limited under Part XV of the Securities and Futures Ordinance (Cap. 571).

Save as disclosed above, none of the Grantees of the Replacement Share Options is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules) as at the date of this announcement.

REASON FOR THE REPLACEMENT

In view of the fact that the exercise prices of the Previously Granted Share Options (being HK\$13.40 per Share, HK\$26.65 per Share, HK\$20.83 per Share and HK\$14.24 per Share for the share options granted on 2 April 2013, 3 April 2014, 29 August 2014 and 8 April 2015 respectively) are substantially higher than the current market price of the Shares, the Previously Granted Share Options can no longer serve the purpose of providing incentives or rewards to the Grantees. The replacement of the Previously Granted Share Options by the Replacement Share Options (which bring the exercise price to the current trading price level of the Shares) and the Replacement Share Award will better serve the objective of the Share Option Scheme and Share Purchase Scheme in recognizing the contributions of the Grantees to the Company and its subsidiaries (the “**Group**”) and providing the Grantees with incentives so as to retain them for the continual operation and development of the Group.

GRANT OF NEW SHARE OPTIONS

The Board further announces that on 8 April 2016, the Company granted a total of 2,563,000 new share options (the “**New Share Options**”) to the Grantees, subject to acceptance of the Grantees, under the Company’s Share Option Scheme. The New Share Options will entitle the Grantees to subscribe for a total of 2,563,000 Shares. A summary of the grant is set out below:

Date of grant	:	8 April 2016
Exercise price of New Share Options granted	:	HK\$10.24
Number of New Share Options granted	:	2,563,000
Closing price of the Shares on the date of grant	:	HK\$9.99
Validity period of the New Share Options	:	Ten years, from 8 April 2016 to 7 April 2026
Vesting date of the New Share Options	:	(i) 1,025,500 New Share Options granted may be exercised on or after 8 April 2016; (ii) another 1,018,500 New Share Options granted may be exercised on or after 8 April 2017; (iii) a further 263,500 New Share Options granted may be exercised on or after 8 April 2018; and (iv) the remaining 255,500 New Share Options granted may be exercised on or after 8 April 2019.

Among the New Share Options granted above, 1,937,000 New Share Options were granted to the Directors, with details as follows:

<u>Name of Director</u>	<u>Position held with the Company</u>	<u>Number of New Share Options</u>
Mr. Lawrence Ho	Executive Director (Chairman and Chief Executive Officer) <i>(also a substantial shareholder of the Company)</i>	1,500,000
Mr. Tsui Che Yin, Frank	Executive Director	124,000
Mr. Chung Yuk Man, Clarence	Executive Director	256,000
Mr. Ng Ching Wo	Non-executive Director	15,000
Mr. Chow Kwong Fai, Edward	Independent Non-executive Director	14,000
Mr. Sham Sui Leung, Daniel	Independent Non-executive Director	13,000
Dr. Tyen Kan Hee, Anthony	Independent Non-executive Director	15,000

Save as disclosed above, none of the Grantees of the New Share Options is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules) as at the date of this announcement.

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

Hong Kong, 8 April 2016

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.