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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 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)

### **PROPOSED GRANT OF SHARE OPTIONS TO A DIRECTOR AND SUBSTANTIAL SHAREHOLDER**

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A notice convening an extraordinary general meeting of Melco International Development Limited (the "Company") to be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong at 10:30 a.m. on Wednesday, 29 December 2010 is set out on pages 14 to 15 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.

10 December 2010

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	board of Directors
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Wednesday, 29 December 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the grant of the Options
“Existing Options”	the share options granted to eligible participants under the Share Option Scheme before 26 November 2010, which remain outstanding on the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the connected persons of the Company
“Latest Practicable Date”	6 December 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lawrence Ho”	Mr. Ho, Lawrence Yau Lung, the Chairman and Chief Executive Officer, an Executive Director and a Substantial Shareholder of the Company

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## DEFINITIONS

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“Options”	38,000,000 share options conditionally granted to Mr. Lawrence Ho under the Share Option Scheme at an exercise price of HK\$4.58 per Share
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.50 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 8 March 2002 and amended on 8 June 2009
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### **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:*

Sir Roger Lobo

Mr. Sham Sui Leung, Daniel

Dr. Tyen Kan Hee, Anthony

10 December 2010

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSED GRANT OF SHARE OPTIONS TO A DIRECTOR AND SUBSTANTIAL SHAREHOLDER**

#### **1. INTRODUCTION**

Reference is made to the announcement of the Company dated 26 November 2010 in relation to, among other things, the conditional grant of share options to the Directors (other than Mr. Lawrence Ho) and certain executives, management staff, employees and consultants of the Group under the Share Option Scheme and the conditional grant of the Options to Mr. Lawrence Ho under the Share Option Scheme.

The purpose of this circular is to (i) provide you with information on the grant of the Options and (ii) give you a notice of the EGM for passing the ordinary resolution for approving the grant of the Options.

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## LETTER FROM THE BOARD

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### 2. GRANT OF SHARE OPTIONS

#### **Total number and basis of share options granted**

On 26 November 2010, the Board resolved to grant a total of 51,600,000 share options to the Directors of the Company and a total of 24,558,000 share options to certain executives, management staff, employees and consultants of the Group. Of the 51,600,000 share options granted to Directors, 38,000,000 share options were granted to Mr. Lawrence Ho, Chairman and Chief Executive Officer and a Substantial Shareholder of the Company. All of the options granted aforesaid are conditional on Independent Shareholders' approval of the Options granted to Mr. Lawrence Ho being obtained at the EGM.

#### **Grant of share options to Directors (other than Mr. Lawrence Ho), executives, management staff, employees and consultants of the Group**

On 26 November 2010, the Board resolved to grant a total of 38,158,000 share options to subscribe for up to a total of 38,158,000 Shares to the Directors (other than Mr. Lawrence Ho – details of grant of Options to him are set out in the section headed “Grant of Options to Mr. Lawrence Ho” below) and certain executives, management staff, employees and consultants of the Group (collectively, the “Grantees”), subject to acceptance of the Grantees, under the Share Option Scheme. A summary of the grant is set out below:–

<b>Date of grant</b>	: 26 November 2010
<b>Exercise price of the share options</b>	: HK\$4.58 per Share, which represents the highest of (i) the closing price of HK\$4.51 per Share as stated in the daily quotations sheet of the Stock Exchange on 26 November 2010, being the date of grant; (ii) the average closing price of HK\$4.58 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding 26 November 2010; and (iii) HK\$0.50, being the nominal value of the Share.
<b>Number of share options granted</b>	: 38,158,000
<b>Validity period of the share options</b>	: Ten years, from 26 November 2010 to 25 November 2020

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## LETTER FROM THE BOARD

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- Vesting date of the share options** : (i) 25% of the options granted may be exercised on or after 26 November 2010;
- (ii) another 25% of the options granted may be exercised on or after 26 November 2011;
- (iii) a further 25% of the options granted may be exercised on or after 26 November 2012;
- (iv) the remaining 25% of the options granted may be exercised on or after 26 November 2013,
- and in each case, not later than 25 November 2020.
- Consideration on acceptance of the share options** : HK\$1.00 to be paid by each Grantee upon acceptance of the grant
- Performance Target** : No performance target must be achieved before the options can be exercised
- Rights attached to the Shares to be issued on exercise of the share options** : The Shares to be issued upon the exercise of the options shall rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Shares

The grantees of the share options conditionally granted on 26 November 2010, referred to above, will not be eligible to receive the special cash dividend of HK1.5 cents per Share declared on 26 November 2010, because the record date for the special cash dividend (23 December 2010) precedes the date on which the grants of those share options can become unconditional (being 29 December 2010, the date of the EGM).

Among the share options granted above, 13,600,000 share options are granted to the Directors (other than Mr. Lawrence Ho), with details as follows:–

<b>Name of Director</b>	<b>Position held with the Company</b>	<b>Number of options granted</b>
Mr. Tsui Che Yin, Frank	Executive Director	5,600,000
Mr. Chung Yuk Man, Clarence	Executive Director	5,600,000
Mr. Ng Ching Wo	Non-executive Director	600,000
Sir Roger Lobo	Independent Non-executive Director	600,000
Mr. Sham Sui Leung, Daniel	Independent Non-executive Director	600,000
Dr. Tyen Kan Hee, Anthony	Independent Non-executive Director	600,000

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## LETTER FROM THE BOARD

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### Grant of Options to Mr. Lawrence Ho

On 26 November 2010, the Board resolved to grant the Options to subscribe for up to a total of 38,000,000 Shares to Mr. Lawrence Ho, the Chairman and Chief Executive Officer, an Executive Director and a Substantial Shareholder of the Company, subject to acceptance of Mr. Lawrence Ho, under the Share Option Scheme. A summary of the grant to Mr. Lawrence Ho is set out below:–

<b>Date of grant</b>	: 26 November 2010
<b>Exercise price of the Options</b>	: HK\$4.58 per Share, which represents the highest of (i) the closing price of HK\$4.51 per Share as stated in the daily quotations sheet of the Stock Exchange on 26 November 2010, being the date of grant; (ii) the average closing price of HK\$4.58 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding 26 November 2010; and (iii) HK\$0.50, being the nominal value of the Share.
<b>Number of Options granted</b>	: 38,000,000
<b>Validity period of the Options</b>	: Ten years, from 26 November 2010 to 25 November 2020
<b>Vesting date of the Options</b>	: (i) 50% of the Options granted may be exercised on or after 26 November 2010;  (ii) a further 25% of the Options granted may be exercised on or after 26 November 2011;  (iii) the remaining 25% of the Options granted may be exercised on or after 26 November 2012,  and in each case, not later than 25 November 2020.
<b>Consideration on acceptance of the Options</b>	: HK\$1.00 to be paid by Mr. Lawrence Ho upon acceptance of the grant
<b>Performance Target</b>	: No performance target must be achieved before the Options can be exercised



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## LETTER FROM THE BOARD

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**Rights attached to the Shares to be issued on exercise of the Options** : The Shares to be issued upon the exercise of the Options shall rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Shares

The grantee of the Options conditionally granted on 26 November 2010, referred to above, will not be eligible to receive the special cash dividend of HK1.5 cents per Share declared on 26 November 2010, because the record date for the special cash dividend (23 December 2010) precedes the date on which the grant of the Options can become unconditional (being 29 December 2010, the date of the EGM).

Pursuant to Rule 17.04(1) of the Listing Rules, where any grant of options to a substantial shareholder and/or his associates would result in the shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to the substantial shareholder and/or his associates in the 12-month period up to and including the date of such grant (i) exceeding 0.1% of the shares in issue and (ii) having an aggregate value, based on the closing price of the shares on the date of grant, in excess of HK\$5 million, the grant of options to the substantial shareholder and/or his associates must be approved by shareholders of the listed issuer at a general meeting at which all connected persons of the listed issuer shall abstain from voting in favour at such general meeting.

Pursuant to Rule 17.03(4) of the Listing Rules, where a grant of options to a grantee will result in the shares issued and to be issued upon exercise of all options granted and to be granted to him (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of grant exceeding 1% of the shares in issue, the grant of options to the grantee must be approved by shareholders of the listed issuer at a general meeting at which the grantee and his associates shall abstain from voting.

Pursuant to Rule 17.04(1) of the Listing Rules, each grant of options to a director, chief executive or substantial shareholder of the listed issuer, or any of their respective associates, must be approved by the independent non-executive directors of the listed issuer.

The grant of the Options to Mr. Lawrence Ho falls within the ambits of Rule 17.04(1) and Rule 17.03(4) of the Listing Rules and is therefore subject to the Independent Shareholders' approval. Under Rule 17.04(1) of the Listing Rules, all connected persons of the Company must abstain from voting in favour of the resolution to be proposed at the EGM, while under Rule 17.03(4) of the Listing Rules, Mr. Lawrence Ho and his associates are required to abstain from voting in favour of the resolution.

As at the Latest Practicable Date, no notice has been received by the Company from any connected person of the Company of his, her or its intention to vote against the resolution to be proposed at the EGM.

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## LETTER FROM THE BOARD

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By resolutions in writing dated 26 November 2010 signed by all Directors, including all Independent Non-executive Directors (the “**Written Board Resolutions**”), the grant of 51,600,000 share options to the Directors (including the grant of Options to Mr. Lawrence Ho) and 24,558,000 share options to certain executives, management staff, employees and consultants of the Group was approved, subject to the Independent Shareholders’ approval of the Options granted to Mr. Lawrence Ho being obtained at the EGM. For the purpose of calculating the exercise price of the aforesaid options, the date of passing the Written Board Resolutions, i.e. 26 November 2010, shall be taken as the date of grant of the options.

The following table illustrates changes in shareholdings of Mr. Lawrence Ho and his associates, and of the Directors other than Mr. Lawrence Ho, in the issued share capital of the Company upon exercise in full of the Options and the Existing Options:

	As at the Latest Practicable Date		Upon exercise of the Options in full		Upon exercise of the Options and the Existing Options in full	
	Number of Shares held	Approximate	Number of Shares held	Approximate	Number of Shares held	Approximate
		shareholding percentage		shareholding percentage		shareholding percentage
Mr. Lawrence Ho	8,087,112	0.66%	46,087,112	3.63%	48,873,632	3.76%
Better Joy Overseas Ltd. (Note 3)	288,532,606	23.45%	288,532,606	22.74%	288,532,606	22.21%
Lasting Legend Ltd. (Note 3)	115,509,024	9.39%	115,509,024	9.11%	115,509,024	8.89%
The L3G Capital Trust (Note 3)	7,294,000	0.59%	7,294,000	0.57%	7,294,000	0.56%
Directors (other than Mr. Lawrence Ho)	479,100	0.04%	479,100	0.04%	6,717,100	0.52%
Public Shareholders	810,673,602	65.87%	810,673,602	63.91%	832,087,006	64.06%
	<u>1,230,575,444</u>	<u>100.00%</u>	<u>1,268,575,444</u>	<u>100.00%</u>	<u>1,299,013,368</u>	<u>100.00%</u>

*Notes:*

1. As at the Latest Practicable Date, the total number of issued Shares was 1,230,575,444.
2. As at the Latest Practicable Date, in addition to the Options, Mr. Lawrence Ho has the following outstanding share options:
  - (i) share options granted by the Company on 1 April 2008 to subscribe for 692,520 Shares at an exercise price of HK\$10.804 each (the validity period of these options is from 1 April 2008 to 31 March 2018);
  - (ii) share options granted by the Company on 17 December 2008 to subscribe for 536,000 Shares at an exercise price of HK\$2.02 each (the validity period of these options is from 17 December 2008 to 16 December 2018);

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## LETTER FROM THE BOARD

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- (iii) share options granted by the Company on 3 April 2009 to subscribe for 230,000 Shares at an exercise price of HK\$2.99 each (the validity period of these options is from 3 April 2009 to 2 April 2019); and
  - (iv) share options granted by the Company on 7 April 2010 to subscribe for 1,328,000 Shares at an exercise price of HK\$3.76 each (the validity period of these options is from 7 April 2010 to 6 April 2020).
3. 115,509,024 Shares are held by Lasting Legend Ltd., representing approximately 9.39% of the issued share capital of the Company, 288,532,606 Shares are held by Better Joy Overseas Ltd., representing approximately 23.45% of the issued share capital of the Company and 7,294,000 Shares are held by The L3G Capital Trust, representing approximately 0.59% of the issued share capital of the Company. Lasting Legend Ltd., Better Joy Overseas Ltd. and The L3G Capital Trust are owned by persons, companies and/or trusts associated with Mr. Lawrence Ho. By virtue of the SFO, Mr. Lawrence Ho was deemed to be interested in the Shares held by Lasting Legend Ltd., Better Joy Overseas Ltd. and The L3G Capital Trust.

### Reasons for the Grant of Share Options

*2010 is the centenary year of the Company and is a significant milestone year in the Company's history*

2010 is the centenary year of the Company. The Company has undergone significant transformation and development in its long history, and has developed from a company providing electricity to Macau residents to a substantial investor in a company owning and operating two upmarket casinos, four luxurious hotels, a spectacular purpose – built theatre and the grandeur City of Dreams Development. In the past 10 years alone, the value of the Company's assets has increased 18 times – from HK\$0.37 billion to HK\$6.81 billion. The successful development of the Company's business is due to the business vision, acumen and leadership of the Company's Chairman and Chief Executive Officer, Mr. Lawrence Ho, supported by a dedicated team of senior and middle-level executives. To mark the occasion of the centenary year, the Company would like to grant share options to its management team to show its appreciation of their hard work and achievement.

*The Company's main investment, Melco Crown Entertainment Limited, has completed the development stage and moves on to operational stage*

With the opening of the "House of Dancing Water Theatre" in September this year, the Company's main investment, Melco Crown Entertainment Limited ("MCE"), has completed the development stage and moves on to the operational stage. In the past few months, MCE has witnessed significant improvement in its business. In the first three quarters of 2010, for example, MCE has reported quarterly positive EBITDA of US\$86.9 million, US\$73.4 million and US\$136.3 million, respectively, and in the third quarter of 2010, MCE has generated a profit of US\$15.8 million. This is in sharp contrast with the financial results reported by MCE during the past two to three years. It is the Company's view that MCE will consolidate and build upon these recent improvements in its business performance. If this happens, the Company should be on course of providing a stable and consistent return to its shareholders. The options proposed to be granted to the Company's executives are designed to reward and retain key talents of the Company who have made significant contributions to the Company.

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## LETTER FROM THE BOARD

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### *Financial support and sacrifice of the Company's Chairman and CEO in past years*

In the past few years, when the Company went through the difficult period after the Asian Financial Crisis, the Company's Chairman and CEO, Mr. Lawrence Ho, had lent financial support to the Company and made financial sacrifice for the Company. As one of the discretionary beneficiaries of the Convertible Loan Notes in the amount of HK\$1,175 million issued by the Company, Mr. Lawrence Ho had caused the holder of the Notes to waive interest on these notes and to extend repayment date of this Company's indebtedness. In addition, to support the cashflow position of the Company, Mr. Lawrence Ho had, during the period from December 2007 to October 2009, personally lent an amount of HK\$250 million on an unsecured basis to the Company.

Not only had Mr. Lawrence Ho given financial support to the Company, he had also agreed not to receive any salary from the Company from November 2008. To show his commitment and support to the Company, Mr. Lawrence Ho has agreed with the Company that he will not receive any salary for his work until the Company has started to generate profits continuously for at least two years.

### *Pay cut of Senior Management Team in the past two years*

All members of the Company's Executive Committee and most of the heads of the Company's functional departments voluntarily agreed to cut their salaries by 10 – 20% in 2008. Since then, their salaries have been frozen and no increase has been made in their salaries. Inspired by the generous gesture of its Chairman mentioned above, all of the Company's Executive Committee Members have agreed not to have any adjustment of their salaries until the Company has reported profits continuously for at least two years.

### *Grant of Options is in line with market practice and consultants' recommendations, and designed to provide incentive to the Company's executives*

The Company has appointed three reputable consultants, namely, Mercer, Jones Lang LaSalle Sallmanns and Vigers Appraisal & Consulting Limited, to advise and make recommendations to the Company on the numbers of share options to be granted to Mr. Ho and the Company's executives. In formulating their advice and recommendations, each of the consultants has reviewed and analyzed what other listed companies in the Company's position have granted to their executives.

The grants of share options outlined above are in line with the consultants' recommendations and with what other comparable public companies are doing. The grants are designed to compensate the Company's executives, including the Company's Chairman and CEO, fairly and equitably in accordance with market rates and practice. They are also designed to provide incentive to the Company's Management to encourage them to work harder to increase shareholders' value and return. As such, they align shareholders' interest with the executives' interest.

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## LETTER FROM THE BOARD

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### 3. SCHEME MANDATE LIMIT

The maximum number of Shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is 10% of the Shares in issue as at the date of refreshment of the scheme mandate limit of the Share Option Scheme on 18 May 2005, being 49,101,927 Shares of HK\$1.00 each (adjusted to 98,203,854 Shares of HK\$0.5 each after capital reorganization of the Company which became effective as from 19 May 2005) (the “**Scheme Mandate Limit**”). After the said refreshment of the Scheme Mandate Limit, the Company had granted options (other than the options conditionally granted to Mr. Lawrence Ho, the Directors, executives, management staff, employees and consultants of the Group on 26 November 2010) entitling the holders thereof to subscribe for a total of 22,026,520 Shares, representing approximately 22.43% of the Scheme Mandate Limit. Accordingly, there are sufficient unissued options for the purpose of granting options to Mr. Lawrence Ho, the Directors, executives, management staff, employees and consultants of the Group on 26 November 2010 to subscribe for up to 76,158,000 Shares, representing approximately 77.55% of the Scheme Mandate Limit.

### 4. INFORMATION ON THE SHARE OPTIONS GRANTED UNDER THE SHARE OPTION SCHEME

A total of 63,418,989 share options have been granted under the Share Option Scheme and 30,437,924 share options remain outstanding up to the Latest Practicable Date. As mentioned in the section headed “2. GRANT OF SHARE OPTIONS”, the grant of a total of 51,600,000 share options to the Directors (including the grant of the Options to Mr. Lawrence Ho) and a total of 24,558,000 share options to certain executives, management staff, employees and consultants of the Group are conditional on Independent Shareholders’ approval of the Options granted to Mr. Lawrence Ho being obtained at the EGM. Assuming that the grant of the Options to Mr. Lawrence Ho is approved by the Independent Shareholders at the EGM and that no share options granted under the Share Option Scheme are exercised from the Latest Practicable Date to the date of the EGM, the Company will have 106,595,924 share options outstanding immediately after the EGM, representing approximately 8.66% of the total issued share capital of the Company at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### 5. EGM

The notice convening the EGM is set out on pages 14 to 15 of this circular. At the EGM, an ordinary resolution will be proposed to approve, among other matters, the grant of Options to Mr. Lawrence Ho. Voting in respect of the ordinary resolution will be conducted by way of poll. An announcement will be made by the Company after the EGM on the result of the EGM. As mentioned in the paragraph headed “Grant of Options to Mr. Lawrence Ho”, the grant of the Options to Mr. Lawrence Ho must be approved by the Independent Shareholders in general meeting by poll with Mr. Lawrence Ho and his associates and all other connected persons of the Company abstaining from voting in favour of the resolution to be proposed at the EGM. The following table specifies details of the connected persons of the Company, together with their shareholdings, who are required to abstain from voting in favour of the resolution at the EGM:

	<b>Number of Shares held as at the Latest Practicable Date</b>	<b>Approximate shareholding percentage</b>
Mr. Lawrence Ho	8,087,112	0.66%
Better Joy Overseas Ltd.*	288,532,606	23.45%
Lasting Legend Ltd.*	115,509,024	9.39%
The L3G Capital Trust*	7,294,000	0.59%
Directors (other than Mr. Lawrence Ho)	479,100	0.04%
Janus Capital Management LLC	123,792,000	10.06%

\* Better Joy Overseas Ltd., Lasting Legend Ltd. and The L3G Capital Trust are owned by persons, companies and/or trusts associated with Mr. Lawrence Ho.

A form of proxy for use at the EGM is enclosed with this circular. To be valid, the form of proxy must be completed and returned 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.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATION

In light of the reasons mentioned in the paragraph “Reasons for the Grant of Share Options”, the Directors (including all the Independent Non-executive Directors) consider that the grant of options to Mr. Lawrence Ho, the Directors, executives, management staff, employees and consultants of the Group is in the best interests of the Company and its shareholders. In view of the size of the options granted, the Board has resolved not to grant any share option under the Share Option Scheme to Directors, employees and consultants of the Group during a period of two years commencing from 26 November 2010.

Accordingly, the Directors (including the Independent Non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the grant of Options to Mr. Lawrence Ho as set out in the notice of the EGM.

### 7. 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 Group. 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 contained herein or this circular misleading.

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

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## NOTICE OF EGM

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### **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 200)

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE** is hereby given that an extraordinary general meeting of Melco International Development Limited (the “**Company**”) will be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong on Wednesday, 29 December 2010 at 10:30 a.m. for the purpose of considering and, if though fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

**“THAT**

- (a) the directors of the Company (the “**Directors**”) be and are hereby authorised to grant to Mr. Ho, Lawrence Yau Lung share options (the “**Options**”) to subscribe for 38,000,000 shares of the Company at an exercise price of HK\$4.58 per share under the Share Option Scheme of the Company adopted on 8 March 2002 and amended on 8 June 2009 on such terms as they consider appropriate;
- (b) any one of the Directors be and is hereby authorised to do any act or thing and to sign, seal, execute and/or deliver any document for and on behalf of the Company as may be necessary, desirable or expedient in connection with the grant of the Options to Mr. Ho, Lawrence Yau Lung; and
- (c) all acts and actions taken by the Directors or any of them in connection with the grant of the Options to Mr. Ho, Lawrence Yau Lung before the date hereof be hereby approved, ratified and confirmed.”

By Order of the Board of  
**Melco International Development Limited**  
**Tsang Yuen Wai, Samuel**  
*Company Secretary*

Hong Kong, 10 December 2010



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## NOTICE OF EGM

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*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. If more than one of the joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of the relevant shares shall alone be entitled to vote in respect thereof.
4. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting on the above resolution will be taken by poll.