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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 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 proxy form, 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: [www.melco-group.com](http://www.melco-group.com)

(Stock Code: 200)

#### **NOTICE OF ANNUAL GENERAL MEETING, PROPOSALS FOR RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND ADOPTION OF THE NEW SHARE OPTION SCHEME**

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A notice convening the annual general meeting (“AGM” or “**Annual General Meeting**”) of Melco International Development Limited (the “**Company**”) to be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong and by way of electronic means through the Tricor e-Meeting System (<https://spot-emeeting.tricor.hk/#/200>) (the “**Tricor e-Meeting System**”) on Tuesday, 7 June 2022 at 10:00 a.m. is set out on pages 15 to 20 of this circular. A proxy form for use at the AGM is enclosed with this circular. Please complete and sign the proxy form in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, or via the designated URL (<https://spot-emeeting.tricor.hk/#/200>) by using the login username and password provided in the notification letter sent by the Company’s share registrar as soon as possible and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on 4 June 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting via the Tricor e-Meeting System at the AGM or any adjournment thereof if you subsequently so wish. **For the health and safety of AGM attendees, the Company would be adapting the arrangements for the AGM to minimize attendance in person (see the details set forth in the section headed “SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING” in this circular), while still enabling Shareholders to vote and ask questions. Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the AGM arrangements at short notice. Shareholders are advised to check the websites of the Company at [www.melco-group.com](http://www.melco-group.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for the latest announcement and information relating to the AGM.**

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## SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING

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Due to the recent development of COVID-19 pandemic and the announcement of the Government of Hong Kong on the latest Prevention and Control of Disease (Prohibition on Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) and Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F of the Laws of Hong Kong, the Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the need to protect AGM attendees from possible exposure to the COVID-19 pandemic. **As such, for the health and safety of AGM attendees, the Company would be adapting the arrangements for the AGM to minimize attendance in person, while still enabling Shareholders to vote and ask questions. Details of the special arrangements for the AGM are set out below.**

### ATTENDING THE AGM BY ELECTRONIC MEANS

**The AGM will be a hybrid meeting.** The AGM will be held with the minimum number of persons present as is required under the Articles of Association to form a quorate meeting, together with a limited number of other attendees to ensure the proper conduct of the meeting. The quorum will be formed by the senior management members and/or senior staff members of the Company who are Shareholders and/or their proxies to maintain an internal grouping and minimize the continuing risks posed by the COVID-19 pandemic at the AGM.

Given the above reasons, **no other Shareholder, proxy or corporate representative should attend the AGM in person.** Other than those in the quorum and the limited number of other attendees to ensure the proper conduct of the meeting, any other person who attempts to do so will be excluded and will not be permitted entry to the venue of the AGM.

Shareholders who wish to attend and vote at the AGM can do so through the Tricor e-Meeting System. The Tricor e-Meeting System will be open for the Registered Shareholders, their proxy (or proxies) (see below for login details and arrangements) and Non-registered Shareholders (see below for login details and arrangement) to log in from 9:30 a.m. on 7 June 2022 (i.e. approximately 30 minutes prior to the commencement of the AGM). Shareholders should allow ample time to check into the Tricor e-Meeting System to complete the related procedures. Please refer to the Online Meeting User Guide in relation to the procedures of the online meeting at <https://spot-emeeting.tricor.hk/#/200>.

**Login details for Registered Shareholders:** Details regarding the AGM arrangements including login details (including personalized username and password) to access the Tricor e-Meeting System are included in the Company's notification letter to Registered Shareholders sent together with this circular. In case of appointment of proxy for participation at the AGM via the Tricor e-Meeting System, Registered Shareholders are requested to provide a valid email address of his or her proxy (except for appointment of the chairman of the meeting as proxy) in order for the proxy to receive the personalized username and password from the Company's share registrar, Tricor Standard Limited, to attend and vote at the AGM through the Tricor e-Meeting System. If your proxy has not received the login details by email by 10:00 a.m. on Monday, 6 June 2022, you should contact the Company's share registrar, Tricor Standard Limited at (852) 2975 0928 or email to [emeeting@hk.tricorglobal.com](mailto:emeeting@hk.tricorglobal.com) for assistance.

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## SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING

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**Login details for Non-registered Shareholders:** Non-registered Shareholders who wish to attend and vote at the AGM using the Tricor e-Meeting System should:

- (1) contact and instruct their banks, brokers, custodians or HKSCC Nominees Limited through which their shares are held (together, the “**Intermediary**”) to appoint themselves as proxy or corporate representative to attend the AGM; and
- (2) provide their email address to their Intermediary before the time limit required by the relevant Intermediary.

Details regarding the AGM arrangements including login details (including personalized username and password) to access the Tricor e-Meeting System will be sent by the Company’s share registrar, Tricor Standard Limited, to the email address of the Non-registered Shareholders provided by the Intermediary. Any Non-registered Shareholder who has provided an email address through the relevant Intermediary for this purpose but has not received the login details by email by 10:00 a.m. on Monday, 6 June 2022 should contact the Company’s share registrar, Tricor Standard Limited at (852) 2975 0928 or email to [emeeting@hk.tricorglobal.com](mailto:emeeting@hk.tricorglobal.com) for assistance. Without the login details, Non-registered Shareholders will not be able to participate and vote using the Tricor e-Meeting System. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

**Registered Shareholders, their proxy (or proxies) and Non-registered Shareholders should note that only one device is allowed per login. Please also keep the login details in safe custody for use at the AGM and do not disclose them to anyone else. Neither the Company nor its share registrar assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**

### VOTING SYSTEM AT THE AGM

Electronic voting system will be used at the AGM to enhance the efficiency in the poll counting process. This is a full paperless AGM process that facilitate easy and intuitive voting procedures for Shareholders. For online voting at the AGM, Registered Shareholders, their proxy (or proxies) and Non-registered Shareholders can refer to the Online Meeting User Guide by visiting at <https://spot-emeeting.tricor.hk/#/200> for details.

### QUESTIONS AT THE AGM

Registered Shareholders, their proxy (or proxies) and Non-registered Shareholders attending the AGM using the Tricor e-Meeting System will be able to submit questions relevant to the proposed resolutions online during the AGM. The Company will endeavour to address these questions at the AGM, if time permits.

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## **SPECIAL ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING**

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### **VOTING BY PROXY IN ADVANCE OF THE AGM**

Shareholders are encouraged to exercise their rights to attend and vote at the AGM. Physical attendance is not necessary for the purpose of exercising Shareholders' rights. Shareholders shall submit their completed proxy forms well in advance of the AGM. Return of a completed proxy form will not preclude Shareholders from attending and voting via the Tricor e-Meeting System at the AGM or any adjournment thereof should they subsequently so wish, and in such event the instrument appointing a proxy shall be deemed to be revoked.

**Submission of proxy forms for Registered Shareholders:** A proxy form for use at the AGM is enclosed with this circular. A copy of the proxy form can also be downloaded from the websites of the Company at [www.melco-group.com](http://www.melco-group.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

**The deadline to submit completed proxy forms is Saturday, 4 June 2022 at 10:00 a.m.** Completed proxy forms must be returned to the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, or via the designated URL (<https://spot-emeeting.tricor.hk/#/200>) by using the login username and password provided in the notification letter sent by the Company's share registrar as soon as possible and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on 4 June 2022) or any adjournment thereof.

**Appointment of proxy by Non-registered Shareholders:** Non-registered Shareholders should contact their Intermediary as soon as possible for assistance in the appointment of proxy.

### **CHANGES TO AGM ARRANGEMENTS**

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the AGM arrangements at a short notice. Shareholders are advised to check the websites of the Company at [www.melco-group.com](http://www.melco-group.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for the latest announcement and information relating to the AGM.

### **CONTACT DETAILS OF THE COMPANY'S SHARE REGISTRAR**

If Shareholders have any queries relating to the AGM, please contact, the Company's share registrar as follows:

Tricor Standard Limited  
Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
Telephone: (852) 2980 1333  
Fax: (852) 2861 1465

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional upon fulfilment of the conditions set out in the paragraph headed “Conditions of the New Share Option Scheme” in the section headed “Letter from the Board”
“AGM”	the annual general meeting of the Company to be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong and by way of electronic means through the Tricor e-Meeting System ( <a href="https://spot-emeeting.tricor.hk/#/200">https://spot-emeeting.tricor.hk/#/200</a> ) on Tuesday, 7 June 2022 at 10:00 a.m., or any adjournment or postponement thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate”	the meaning given to such term under the Listing Rules
“Associated Company”	a company in which the Company directly or indirectly holds not less than 20% and not more than 50% of its shareholding
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors of the Company or a committee thereof appointed for the purpose of administering the New Share Option Scheme, including the remuneration committee of the Company
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance whose shares are listed on the Stock Exchange
“Consultation Proposals”	has the meaning given to it under the paragraph headed “5. Adoption of the New Share Option Scheme” in the Letter from the Board contained in this circular
“Date of Grant”	in respect of an Option, the business day on which the Board resolves to make an offer of that Option to a Participant
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“Grantee”	any Participant who accepts an offer in accordance with the terms of the New Share Option Scheme and, where the context so permits, any person who is entitled to an Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“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
“Issue Mandate”	shall have the meaning given to such term in Paragraph 4 of this circular
“Latest Practicable Date”	21 April 2022, 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, as amended from time to time
“New Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix IV to this circular
“Old Share Option Scheme”	the share option scheme adopted by the Company on 30 May 2012, as amended and approved by the Shareholders on 5 June 2020
“Option(s)”	share option(s) granted under the Old Share Option Scheme and share option(s) to be granted following the adoption of the New Share Option Scheme
“Participants”	(1) any executive or non-executive directors of any member(s) of the Group (or person(s) proposed to be appointed as such provided that the offer of an Option to such proposed appointee(s) shall be conditional upon the proposed appointment taking effect); and (2) any executives and employees of and consultants and advisers to any member(s) of the Group (or person(s) proposed to be appointed as such provided that the offer of an Option to such proposed appointee(s) shall be conditional upon the proposed appointment taking effect)

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## DEFINITIONS

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“Repurchase Mandate”	shall have the meaning given to such term in Paragraph 4 of this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Purchase Scheme”	the existing share purchase scheme of the Company adopted on 18 October 2007, as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme
“Takeovers Code”	Code on Takeovers and Mergers
“%”	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: [www.melco-group.com](http://www.melco-group.com)

(Stock Code: 200)

*Executive Directors:*

Mr. Ho, Lawrence Yau Lung

*(Chairman and Chief Executive Officer)*

Mr. Evan Andrew Winkler

*(President and Managing Director)*

Mr. Chung Yuk Man, Clarence

*Registered office:*

38th Floor, The Centrium

60 Wyndham Street

Central

Hong Kong

*Non-executive Director:*

Mr. Ng Ching Wo

*Independent Non-executive Directors:*

Mr. John William Crawford

Mr. Tsui Che Yin, Frank

Ms. Karuna Evelyne Shinsho

29 April 2022

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING,  
PROPOSALS FOR RE-ELECTION OF DIRECTORS AND  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
ADOPTION OF THE NEW SHARE OPTION SCHEME**

**1. INTRODUCTION**

The purpose of this circular is to give you notice of the AGM and provide you with information regarding certain resolutions to be proposed at the AGM, in particular, the proposed resolutions to approve (i) the re-election of Directors, (ii) the grant to the Directors the Issue Mandate and the Repurchase Mandate and (iii) the adoption of the New Share Option Scheme, to enable you to make an informed decision on whether to vote for or against those resolutions.

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## LETTER FROM THE BOARD

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### 2. AGM

**The AGM will be a hybrid meeting.** A notice convening the AGM to be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong and by way of electronic means through the Tricor e-Meeting System (<https://spot-emeeting.tricor.hk/#/200>) (the “**Tricor e-Meeting System**”) on Tuesday, 7 June 2022 at 10:00 a.m. is set out in Appendix I 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 except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the proposed resolutions will be voted on by way of poll at the AGM. An announcement of the poll results will be made by the Company after the AGM in the manner prescribed by Rule 13.39(5) of the Listing Rules.

A proxy form for use at the AGM is enclosed with this circular. The proxy form can also be downloaded from the websites of the Company at [www.melco-group.com](http://www.melco-group.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). You are requested to complete the proxy form and return it in accordance with the instructions printed thereon to the Company’s share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk/#/200>) by using the login username and password provided in the notification letter sent by the Company’s share registrar as soon as possible and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the AGM (i.e. not later than 10:00 a.m. on 4 June 2022) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting via the Tricor e-Meeting System at the AGM or any adjournment thereof if you subsequently so wish.

Your attention is also drawn to the section headed “Special Arrangements for the Annual General Meeting” set out on pages 1 to 3 of this circular.

### 3. RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors including three Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (President and Managing Director) and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely, Mr. Ng Ching Wo and three Independent Non-executive Directors, namely, Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.

In accordance with Article 98(A) of the Articles of Association, Mr. Ho, Lawrence Yau Lung, Mr. Ng Ching Wo and Mr. John William Crawford, being Directors longest in office since their last election, shall retire from office by rotation at the AGM and are eligible to offer themselves for re-election.

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## LETTER FROM THE BOARD

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### **Process for Nomination of Director**

The Company adopted a nomination policy which sets out the criteria and process for the nomination and appointment of Directors. The criteria to select candidates for directorship include the candidates' age, skills, competence, experience, expertise, professional and educational qualifications, background and personal qualities, whether the candidate can devote sufficient time and commitment to carry out his/her duties, any potential conflict of interests of the candidate, independence of the candidate (for appointment of Independent Non-executive Directors only) and other factors as the Nomination Committee considers appropriate in assessing the candidate. Nominations of new Directors will be made by the Nomination Committee and are subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidates.

### **Recommendation of the Nomination Committee**

On 29 March 2022, the Nomination Committee, having reviewed the Board's composition, recommended Mr. Ho, Lawrence Yau Lung, Mr. Ng Ching Wo and Mr. John William Crawford, who have been longest in office since their last election to the Shareholders for re-election at the AGM. The nominations were made in accordance with the nomination policy and the objective criteria (including without limitation, experience, skills and professional and educational qualifications), and with due regard to the board diversity policy of the Company. All the above retiring Directors have shown devotion and commitment to the Board by their attendance to the Board and relevant Board committee meetings during their tenure.

Regarding the proposal for re-election of Mr. John William Crawford as an Independent Non-executive Director, the Nomination Committee has considered Mr. Crawford's qualification, skills, experience and various diversity aspects as set out in the board diversity policy of the Company and is of the view that Mr. Crawford's extensive knowledge and experience in accounting will bring valuable knowledge and experience to the Board.

Mr. Crawford has made an annual confirmation of independence under Rule 3.13 of the Listing Rules to the Company, save and except for Rule 3.13(7), in view of his holding of other directorships within the Group during the two years before the date of his appointment as an Independent Non-executive Director. Prior to Mr. Crawford's appointment, the Company had demonstrated to the satisfaction of the Stock Exchange that Mr. Crawford is qualified to serve as an Independent Non-executive Director and is independent for the purposes of Rule 3.13 of the Listing Rules and the reasons are set out in the Company's announcement dated 13 September 2019. The Company is not aware of any change of circumstances which may affect the independence of Mr. Crawford and having considered the above is satisfied that Mr. Crawford remains independent in accordance with the Listing Rules.

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## LETTER FROM THE BOARD

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The Board, having considered the recommendation of the Nomination Committee, is of the view that each of the retiring Directors has the required character, integrity and experience to continue fulfilling the role of a Director. Therefore, re-election of the retiring Directors be recommended for approval by the Shareholders at the AGM.

Brief biographical details of the retiring Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

#### **4. GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES TO THE DIRECTORS**

The resolution set out in item 4 of the notice of the AGM, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares up to 10% of the number of issued Shares at the date of passing the resolution (the “**Repurchase Mandate**”) before the Company’s next annual general meeting. A statement explaining the Repurchase Mandate in accordance with the Listing Rules is set out in Appendix III to this circular. The Directors confirm that, as at the Latest Practicable Date, there is no plan for any repurchase of Shares pursuant to the Repurchase Mandate.

At the AGM, the resolution set out in item 5 of the notice of the AGM will be proposed which, if passed, will give the Directors a general mandate to issue Shares and grant rights to subscribe for and convert securities into Shares, before the Company’s next annual general meeting, up to (i) 20% of the number of issued Shares at the date of passing the resolution (based on the total number of Shares in issue as at the Latest Practicable Date, being 1,516,683,755 Shares, the mandate would give the Directors power to issue up to 303,336,751 Shares) and (ii) the number of Shares repurchased by the Company subsequent to the passing of the resolution (the “**Issue Mandate**”). The Directors confirm that, as at the Latest Practicable Date, there is no plan for any issue of Shares pursuant to the Issue Mandate.

The Issue Mandate and the Repurchase Mandate will continue to be in force from the passing of the said resolutions until whichever of the following first occurs:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under such ordinary resolutions by an ordinary resolution or ordinary resolutions of the Shareholders in general meeting.

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## LETTER FROM THE BOARD

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### 5. ADOPTION OF THE NEW SHARE OPTION SCHEME

#### **Expiry of the Old Share Option Scheme**

The Old Share Option Scheme was adopted by the Shareholders at a general meeting held on 30 May 2012. Pursuant to the Old Share Option Scheme, the Directors were authorised to grant to eligible participants options to subscribe for Shares. The Old Share Option Scheme had a term of ten years and will expire on 29 May 2022.

As at the Latest Practicable Date, there were a total of 3,409,000 Options granted and outstanding under the Old Share Option Scheme, of which the holders were entitled to subscribe for a total of 3,409,000 Shares (representing 0.22% of the total number of issued Shares). These Options shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects, the provisions of the Old Share Option Scheme shall remain in full force and effect notwithstanding the expiry of the Old Share Option Scheme.

#### **Adoption of the New Share Option Scheme**

Following the expiry of the Old Share Option Scheme, the Company will not have a share option scheme. The Directors consider that it is in the interests of the Company to adopt the New Share Option Scheme and wish to seek Shareholders' approval therefor at the AGM. The terms of the New Share Option Scheme have been prepared in compliance with Chapter 17 of the Listing Rules currently in force as at the Latest Practicable Date.

The Company will continue to comply with the relevant Listing Rules from time to time in force in respect of the New Share Option Scheme. A summary of the principal terms of the New Share Option Scheme is set out in Appendix IV to this circular.

The purpose of the New Share Option Scheme is to enable the Company to continue to grant Options to the Participants, as incentives and/or rewards for their contribution to the Group. A copy of the New Share Option Scheme will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.melco-group.com](http://www.melco-group.com)) for display for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

The Board considers that the adoption of the New Share Option Scheme will provide Participants with an opportunity to acquire proprietary interests in the Company and the grant of share options pursuant to the New Share Option Scheme will incentivize the Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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In determining the eligibility of a Participant, the Board will consider all factors relevant to an individual eligible Participant as appropriate, having regard to, among others:

- (i) his/her responsibilities and contributions made or expected to be made to the success of the Group;
- (ii) his/her experience in the Group's business;
- (iii) his/her ability to further promote the development of the Group;
- (iv) his/her length of service or business relationship with the Group; and
- (v) his/her professional qualifications and knowledge in the industry.

In particular, in the case of a director, executive or employee of any member(s) of the Group, the Board will also take into account a Participant's relationship with the Group, his/her positive impact or synergistic effect on the Group's historical business development (including his/her advice and/or recommendations to the Group regarding strategic management, business research and development, and his/her contribution in enhancing the Group's operational competitiveness and business sustainability), and his/her potential contribution to the business affairs and success of the Group (such as the promotion of the continuous development and growth of the Group by way of innovation or expertise, and the introduction of valuable business opportunities, referrals or partnership). In the case of consultants and advisers to any member(s) of the Group, the Board will take into account the degree of involvement and the period of engagement, cooperation and business relationship with the Group.

The New Share Option Scheme does not provide for a minimum period for which an Option must be held before it can be exercised. This provides the Board with the flexibility required to respond to the circumstances and market conditions prevailing at the time of the grant and ensures that the purposes of the Share Option Scheme could be achieved while complying with the existing provisions of the Listing Rules. There is no performance target specified in the New Share Option Scheme, although the Directors may at their absolute discretion specify the performance targets, if any, that must be achieved before an Option can be exercised, after taking into account a wide range of matters including but not limited to the responsibilities of eligible Participants and contributions made or likely to be made by such persons in representing the Group's interests and in fostering the business development, financial performance and other areas concerning the business, operation, reputation and sustainable development of the Group. In this connection, the setting of the terms and conditions of the Options having regard to the particular circumstances of each grant would enable the Board to achieve the purposes of the Share Option Scheme (being to provide the Company with a flexible means of providing incentives and/or rewards for their contribution to the Group). On 29 October 2021, the Stock Exchange published a market consultation paper on its proposals to amend Chapter 17 of the Listing Rules (the "**Consultation Proposals**"). The Company will be prepared to amend the New Share Option Scheme (subject to the approval by the Shareholders in general meeting) to the extent necessary in order to ensure compliance with any new requirements regarding a minimum vesting period and performance targets pursuant to the amended Listing Rules as and when they become effective.

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## LETTER FROM THE BOARD

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The basis for determining the Subscription Price of an Option complies with the requirements of Rule 17.03(9) of the Listing Rules and is specified in the New Share Option Scheme. The Directors consider that the aforesaid terms of the New Share Option Scheme will serve to encourage Participants to participate in the New Share Option Scheme.

As at the Latest Practicable Date, there were 1,516,683,755 Shares in issue. Assuming that no further Shares will be allotted, issued or repurchased prior to the AGM, the total number of Shares issuable pursuant to the New Share Option Scheme on the date of its adoption would be 151,668,375 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme.

As the New Share Option Scheme is yet to be approved by the Shareholders at the AGM, the Board has not determined the time frame on the granting of the Options and the number of Shares for which any Grantee may subscribe upon exercise of an Option. Accordingly, the Board considers that it is premature to state the value of the Option for the time being in this circular. The Board also considers that it is inappropriate to value all the Options as if they had been granted pursuant to the New Share Option Scheme at 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 not limited to the exercise price, exercise period, any lock-up period, any performance targets set and other relevant variables. The Board believes 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. However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations of Options granted during any financial period will be provided based on the Black-Scholes option pricing model, binomial model or a comparable generally accepted methodology as at the end of the relevant financial period for the interim and final results of the Company.

### **Conditions of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders in the AGM for the adoption of the New Share Option Scheme and to authorize the Board to grant Options to subscribe for Shares under the New Share Option Scheme and to allot, issue and deal in the Shares pursuant to the exercise of any Options to be granted pursuant to the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares which may fall to be issued by the Company pursuant to the exercise of the Options (initially up to the limit equal to 10% of the total number of Shares in issue as at the date of the AGM) in accordance with the terms and conditions of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme must not in aggregate exceed 10% of the total issued capital of the Company as at the Adoption 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 New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time.

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto.

### 6. RECOMMENDATION

The Board believes that the proposals mentioned above, including the proposals for re-election of Directors, granting of the Issue Mandate and the Repurchase Mandate to the Directors and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

### 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 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*



**Melco International Development Limited***(Incorporated in Hong Kong with limited liability)*Website: [www.melco-group.com](http://www.melco-group.com)

(Stock Code: 200)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the annual general meeting (the “**AGM**”) of Melco International Development Limited (the “**Company**”) will be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong and by electronic means through the Tricor e-Meeting System (<https://spot-emeeting.tricor.hk/#/200>) (the “**Tricor e-Meeting System**”) on Tuesday, 7 June 2022 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and auditor for the year ended 31 December 2021.
2. (a) (i) To re-elect Mr. Ho, Lawrence Yau Lung as an executive director of the Company;  
  
(ii) To re-elect Mr. Ng Ching Wo as a non-executive director of the Company; and  
  
(iii) To re-elect Mr. John William Crawford as an independent non-executive director of the Company.  
  
(b) To authorize the board of directors to fix the remuneration of the directors of the Company.
3. To re-appoint auditor and to authorize the directors to fix the auditor’s remuneration.
4. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION****“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of the Company be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares of the Company which may be repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the total number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution), and the said approval shall be limited accordingly;

- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever of the following first occurs:

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

- 5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

- (I) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, to grant rights to subscribe for, or convert any security into, shares in the Company (including the issue of any securities convertible into shares, or options, warrants or similar rights to subscribe for any shares) and to make or grant offers, agreements and options which would or might require the exercise of such power(s) during and after the end of the Relevant Period, be and is hereby generally and unconditionally approved;

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the number of shares of the Company in issue at the date of passing this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution); and
  - (bb) (if the directors of the Company are so authorized by a separate resolution of the shareholders of the Company) the number of shares of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the number of shares of the Company in issue at the date of passing this Resolution), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly;
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever of the following first occurs:

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

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

- (II) “**THAT** the directors of the Company be and are hereby authorized to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution (I) in item 5 of the notice of this meeting in respect of the shares of the Company referred to in subparagraph (bb) of paragraph (b) of such resolution.”

6. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution:

#### ORDINARY RESOLUTION

“**THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in the ordinary shares in the share capital of the Company (the “**Share(s)**”) to be issued pursuant to the exercise of the share options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), a copy of which is produced to this meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the New Share Option Scheme be and is hereby approved and adopted and the board of directors of the Company be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give effect to the New Share Option Scheme, including but without limitation to:

- (i) to administer the New Share Option Scheme under which share options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;

- (iii) to issue and allot from time to time such number of Shares as may be required to be issued and allotted pursuant to the exercise of the share options under the New Share Option Scheme;
- (iv) to make application at appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may from time to time be issued and allotted pursuant to the exercise of the share options under the New Share Option Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By order of the board of  
**Melco International Development Limited**  
**Leung Hoi Wai, Vincent**  
*Company Secretary*

Hong Kong, 29 April 2022

*Registered Office:*

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

*Notes:*

1. The AGM will be a hybrid meeting. Shareholders may attend and vote at the AGM by electronic means through the Tricor e-Meeting System. Shareholders will be able to cast their vote and submit questions through the Tricor e-Meeting System. For details, please refer to the “Special Arrangements for the Annual General Meeting” as set out in the Company’s circular dated 29 April 2022.
2. A shareholder of the Company entitled to attend and vote at the AGM convened by the notice is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a shareholder of the Company.
3. To be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company’s share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk/#/200>) by using the login username and password provided in the notification letter sent by the Company’s share registrar as soon as possible and in any event not less than 48 hours (excluding any part of a day that is a public holiday) before the time fixed for holding the AGM (i.e. not later than 10:00 a.m. on 4 June 2022) or any adjournment thereof. Completion and return of any instrument appointing a proxy shall not preclude a member from attending and voting by electronic means via the Tricor e-Meeting System at the AGM or any adjournment thereof and in such event the instrument appointing a proxy shall be deemed to be revoked. The proxy form must be signed by the appointor or his attorney authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorized to sign the same.

4. To ascertain shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 1 June 2022 to Tuesday, 7 June 2022 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 31 May 2022.
5. With regard to the resolution no. 2 above, the board of directors of the Company proposes that the retiring directors who will offer themselves for re-election at the AGM, namely, Mr. Ho, Lawrence Yau Lung, Mr. Ng Ching Wo and Mr. John William Crawford, be re-elected as directors of the Company. Details of these retiring directors are set out in Appendix II to the Company's circular to shareholders dated 29 April 2022 (the "**Circular**").
6. With regard to the resolution no. 4 above, the directors of the Company wish to draw the attention of the shareholders of the Company to the Circular which summarizes the more important provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") relating to the repurchase of shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by a company. The present general mandate to repurchase shares given by the shareholders of the Company expires at the forthcoming AGM and, accordingly, a renewal of that general mandate is now being sought.
7. With regard to the resolution no. 5 above, the directors of the Company wish to state that, currently, they have no plans to issue any additional shares of the Company (other than the shares to be issued upon exercise of the share options pursuant to the share option scheme of the Company). The present general mandate to issue shares given by the shareholders of the Company expires at the forthcoming AGM and, accordingly, a renewal of that general mandate is now being sought.
8. With regard to the resolution no. 6 above, the Directors wish to state that the New Share Option Scheme, if approved and adopted by the shareholders of the Company, will enable the Company to grant share options to the eligible persons who, in the sole discretion of the Board, have made or may make contribution to the Group and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.
9. In accordance with the Listing Rules, voting on the above resolutions will be taken by poll.
10. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or after 6:00 a.m. on the date of the AGM, or in the event that the COVID-19 situation requires further changes to the AGM arrangements at short notice or requires the date of the AGM to be changed, the meeting will be automatically postponed or adjourned. Shareholders are advised to check the websites of the Company at [www.melco-group.com](http://www.melco-group.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for any further announcement(s) and information relating to the AGM.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The biographical details of the retiring Directors who will offer themselves for re-election at the AGM are set out below:*

**(1) Mr. Ho, Lawrence Yau Lung**

Mr. Ho, aged 45, has been the Chairman and Chief Executive Officer of the Company since March 2006. Before that, he was the group managing director of the Company after he completed a general offer for shares of the Company in 2001. He is also the chairman of the Executive Committee, Finance Committee and Regulatory Compliance Committee of the Company and a director of certain subsidiaries of the Company. Mr. Ho is currently the chairman and chief executive officer of Melco Resorts & Entertainment Limited, a company listed on the Nasdaq Global Select Market in the United States, that holds one of the six Macau gaming concessions and subconcessions and develops, owns and operates casino gaming and entertainment resort facilities in Asia and Europe. He is also a director of Studio City International Holdings Limited, a company listed on the New York Stock Exchange in the United States and the chairman and director of Maple Peak Investments Inc., a company listed on the TSX Venture Exchange in Canada.

Save as disclosed above, Mr. Ho does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years and does not hold any other positions with the Company or other members of the Group. Mr. Ho has confirmed that he does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules).

Mr. Ho graduated with a Bachelor of Arts degree in commerce from the University of Toronto, Canada, in June 1999 and was awarded the Honorary Doctor of Business Administration degree by Edinburgh Napier University, Scotland, in July 2009 for his contribution to business, education and the community in Hong Kong, Macau and China. As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho also serves on the board or participates as a committee member in various organizations in Hong Kong, Macau and mainland China. He is a vice chairman of the All-China Federation of Industry and Commerce; a member of the All-China Youth Federation; a member of the Macau Basic Law Promotion Association; chairman of the Macau International Volunteers Association; a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong; a member of the Asia International Leadership Council; honorary lifetime director of The Chinese General Chamber of Commerce of Hong Kong; honorary patron of The Canadian Chamber of Commerce in Macao; honorary president of the Association of Property Agents and Real Estate Developers of Macau and director Executive of the Macao Chamber of Commerce.

Mr. Ho, Chairman and Chief Executive Officer of the Company, entered into a new employment agreement on 1 April 2021 with Melco Services Limited, a wholly-owned subsidiary of the Company, with respect of his service as Chief Executive Officer of the Group (such agreement superseded the previous employment agreement entered into between the two parties in 2013) (the “**New Employment Agreement**”). Mr. Ho is entitled to a monthly salary of HK\$100,000 per month on a twelve-month basis and other fringe benefits under the New Employment Agreement, which were determined by reference to Mr. Ho's duties and responsibilities with the Company, the Company's financial performance and the prevailing market conditions. The New Employment Agreement may be terminated by either party giving not less than three months' written notice.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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Mr. Ho also entered into a new director agreement on 1 April 2021 with Melco Services (Macau) Limited (“**MSML**”), a wholly-owned subsidiary of the Company, with respect of his service as a director of MSML (such agreement superseded the previous director agreement entered into between the two parties in 2013) (the “**New Director Agreement**”). Mr. Ho is entitled to a director’s fee, which may include, cash payment, equity awards (whether in the form of shares, share options or otherwise, to be granted by either the Company or any of its subsidiaries, or any other benefits in kind) which will be determined by MSML’s shareholders from time to time. The New Director Agreement may be terminated at any time by either party by written notice.

Mr. Ho’s directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Ho’s emoluments comprise annual salary and other benefits, pension costs - defined contribution plans and share-based compensation. Mr. Ho has waived his cash salary for the year 2021. His total emoluments received for the year ended 31 December 2021 are set out on pages 155 and 156 of the Company’s 2021 annual report.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Ho has (1) personal interests in 91,445,132 Shares and 24,778,000 underlying Shares in respect of awarded shares granted under the share incentive award scheme of the Company, corporate interests in 478,668,975 Shares, family interests in 4,212,102 Shares and other interests in 312,666,178 Shares; (2) personal interests in 7,362,072 shares of Melco Resorts & Entertainment Limited, an associated corporation of the Company, and 9,445,782 underlying shares in respect of restricted shares granted by Melco Resorts & Entertainment Limited and corporate interests in 812,729,781 shares of Melco Resorts & Entertainment Limited; (3) personal interest in the amount of US\$20,000,000 and corporate interest in the amount of US\$10,000,000 in respect of the 6.00% senior notes due 2025 issued by Studio City Finance Limited; and (4) corporate interest in the amount of US\$30,000,000 in respect of the 5.00% senior notes due 2029 issued by Studio City Finance Limited.

Save as disclosed above, Mr. Ho does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Ho has confirmed that there are no other matters which need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules in respect of his re-election.



**(2) Mr. Ng Ching Wo**

Mr. Ng, aged 71, has been a Non-executive Director since September 2004. He is also the chairman of the Corporate Governance Committee and a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Mr. Ng is a partner of King & Wood Mallesons. Mr. Ng received his LL.B. degree in 1980 from the University of Alberta in Canada and was admitted to practise as a barrister and solicitor in Alberta, Canada in 1981. He is qualified as a solicitor in both the United Kingdom and Hong Kong in 1986 and 1987, respectively. Mr. Ng's practice focused primarily in the areas of cross-border, transactional, corporate and commercial work and he has extensive experience in mergers and acquisitions, take-overs of private and listed companies, cross-border initial public offerings, international tax planning, large-scale international joint ventures and technology transfers.

Save as disclosed above, Mr. Ng does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years and does not hold any other positions with the Company or other members of the Group. Mr. Ng has confirmed that he does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules).

Under a letter of appointment dated 1 January 2013, Mr. Ng was appointed as a Non-executive Director for a term of three years, which term will be automatically renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. Ng is entitled to a director's fee of HK\$420,000 per annum for acting as a Non-executive Director and chairman and/or member of certain board committees of the Company, and he may also receive discretionary share options and discretionary share award. His total emoluments received for the year ended 31 December 2021 are set out on pages 155 and 156 of the Company's 2021 annual report. Such emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Ng has personal interests in 708,000 Shares and 316,000 underlying Shares in respect of awarded shares granted under the share incentive award scheme of the Company. Save as disclosed above, Mr. Ng does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Ng has confirmed that there are no other matters which need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules in respect of his re-election.

**(3)    Mr. John William Crawford**

Mr. Crawford, aged 79, has been an Independent Non-executive Director since September 2019. He is also the chairman of both the Audit Committee and Nomination Committee and a member of the Corporate Governance Committee of the Company. He is currently an independent non-executive director and the chairman of the audit and risk committee and a member of certain board committees of Melco Resorts & Entertainment Limited, a listed subsidiary of the Company having its American depositary shares listed on the Nasdaq Global Select Market in the United States, and an independent non-executive director and chairman of the audit committee of Regal Portfolio Management Limited/Regal REIT, a company listed on the Stock Exchange. Mr. Crawford previously served as an independent director and the chairman of the audit and risk committee of Melco Resorts and Entertainment (Philippines) Corporation, a subsidiary of the Company which has been delisted from the Philippine Stock Exchange on 11 June 2019 (resigned on 29 October 2020), an independent non-executive director of Entertainment Gaming Asia Inc., a subsidiary of the Company which has been delisted and removed from trading on the NASDAQ Capital Market in the United States in June 2017, E-Kong Group Limited and other companies publicly listed in Hong Kong.

Mr. Crawford was one of the founders of Ernst & Young, Hong Kong office and vice-chairman of the firm when he retired at the end of 1997. During his 25 years in public practice, he was also the chairman of the audit division of Ernst & Young and was active in a number of large private and public company takeover and/or restructuring exercises. He has continued to undertake consultancy/advisory work in a private capacity since retirement, is active in the education sector and is the chairman of International Quality Education Limited. He also has been active in various community service areas such as having been a founding member of UNICEF Hong Kong Committee and the Hong Kong Institute of Directors. In 1997, he was appointed as a Justice of the Peace in Hong Kong.

Mr. Crawford is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Canadian Institute of Chartered Accountants and a life member of the Ontario Institute of Chartered Accountants.

Prior to Mr. Crawford's appointment as an Independent Non-executive Director, the Company had demonstrated to the satisfaction of the Stock Exchange that Mr. Crawford is qualified to serve as an Independent Non-executive Director and is independent for the purposes of Rule 3.13 of the Listing Rules.

Save as disclosed above, Mr. Crawford does not hold any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the past three years and does not hold any other positions with the Company or other members of the Group. Mr. Crawford has confirmed that he does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules).

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## **APPENDIX II            DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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Under a letter of appointment dated 13 September 2019, Mr. Crawford was appointed as an Independent Non-executive Director for a term of three years, which term will be automatically renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. Crawford is entitled to a director's fee of HK\$380,000 per annum for acting as an Independent Non-executive Director and chairman and/or member of certain board committees of the Company, and he may also receive discretionary share options and discretionary share award. His total emoluments received for the year ended 31 December 2021 are set out on pages 155 and 156 of the Company's 2021 annual report. Such emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Crawford has (1) personal interests in 23,000 Shares and 117,000 Underlying Shares in respect of awarded shares granted under the share incentive award scheme of the Company; and (2) personal interests in 125,259 shares of Melco Resorts & Entertainment Limited, an associated corporation of the Company, and 98,304 underlying shares in respect of restricted shares granted by Melco Resorts & Entertainment Limited. Save as disclosed above, Mr. Crawford does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Crawford has confirmed that there are no other matters which need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules in respect of his re-election.

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate and also constitutes the memorandum as required under section 239 of the Companies Ordinance.*

## **1. LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange, subject to certain restrictions, the most important of which are summarized below:

- (a) The shares to be repurchased by a company must be fully paid-up.
- (b) The company has previously sent to its Shareholders an explanatory statement complying with the Listing Rules.
- (c) All on-market repurchase of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchase, and a copy of such resolution together with the necessary documentation have been delivered to the Stock Exchange in accordance with the Listing Rules.

## **2. LIMIT OF POSSIBLE REPURCHASE OF SHARES**

As at the Latest Practicable Date, the number of Shares in issue was 1,516,683,755. Subject to the passing of the ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 151,668,375 Shares (representing 10% of the total number of Shares in issue at the date of passing the resolution).

## **3. REASON FOR REPURCHASES**

The Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in future when depressed market conditions arise, repurchases of Shares may support the prices of Shares and lead to an enhancement of the net asset value of the Company and/or its earnings per Share. It will then be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company.

#### 4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of Hong Kong and the Listing Rules. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2021) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date:

Month	Highest HK\$	Lowest HK\$
<b>2021</b>		
April	16.64	15.10
May	15.64	13.40
June	14.94	13.58
July	14.58	11.82
August	12.40	9.90
September	12.96	8.55
October	10.34	9.05
November	11.66	9.61
December	10.70	8.11
<b>2022</b>		
January	10.12	8.81
February	9.78	7.75
March	8.30	5.02
April (up to the Latest Practicable Date)	7.60	6.14

## 6. EFFECT OF TAKEOVERS CODE

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

If as a result of a share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, (a) Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited and Maple Peak Investments Inc. (all of which are owned by Mr. Ho, Lawrence Yau Lung ("**Mr. Lawrence Ho**") and/or persons and/or trusts associated with Mr. Lawrence Ho) and Mr. Lawrence Ho are together beneficially interested in 37.59% of the issued Shares; (b) L3G Holdings Inc., a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Lawrence Ho and his immediate family members, is holding 20.62% of the issued Shares; (c) Ms. Lo Sau Yan, Sharen ("**Mrs. Ho**"), spouse of Mr. Lawrence Ho, is beneficially interested in 0.28% of the issued Shares. and (d) the associates of Mr. Lawrence Ho are together beneficially interested in 0.03% of the issued Shares. For the purposes of the Takeovers Code, Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Maple Peak Investments Inc., L3G Holdings Inc., Mr. Lawrence Ho, Mrs. Ho and the associates of Mr. Lawrence Ho (the "**Concert Group**") are deemed to be acting in concert and are taken to have interests in a total of 58.52% of the issued Shares.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding of the Concert Group would be increased to approximately 65.02% of the issued Shares. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Company, however, has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

**7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge having made reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**8. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules, the Companies Ordinance and the regulations set out in the Articles of Association.

**9. REPURCHASE OF SHARES**

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date except that the trustee of the Company's Share Purchase Scheme, purchased on the Stock Exchange a total of 11,409,000 Shares at a total consideration of approximately HK\$120,596,000 to satisfy the award of shares to selected participants pursuant to the terms of the rules and trust deed of such Share Purchase Scheme.

This Appendix is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor is it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme.

## **NEW SHARE OPTION SCHEME**

The following is a summary of the principal terms of the New Share Option Scheme to be adopted at the AGM:

### **1. Purpose of the New Share Option Scheme**

The purpose of the New Share Option Scheme is to enable the Company to continue to grant Options to the Participants who, in the sole discretion of the Board, have made or may make contribution to the Group as well as to encourage the Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

### **2. Grant and acceptance of Options**

Subject to the terms of the New Share Option Scheme, the Board may, at its absolute discretion, grant Options to (1) any executive or non-executive directors of any member(s) of the Group; and (2) any executives and employees of and consultants and advisers to any member(s) of the Group, to take up Options to subscribe for Shares at a price calculated in accordance with paragraph 3 below.

An offer of the grant of an Option shall be made to the Participants by forwarding an offer letter in such form as the Board may from time to time determine and shall remain open for acceptance by the Participant concerned for a period of 28 days from the date on which the letter containing the offer is delivered to the Participant, provided that no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or the termination of the New Share Option Scheme.

A non-refundable nominal consideration of HK\$1.00 is payable by the Grantee upon acceptance of an Option. An Option shall be deemed to have been accepted when the duplicate of the offer letter comprising acceptance of the Option duly signed by the Participant together with the said consideration of HK\$1.00 is received by the Company.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered.



**3. Subscription Price**

The Subscription Price for Shares under the New Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the higher of:

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

**4. Maximum number of Shares**

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and all other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “**Scheme Limit**”). No Options will be granted under the New Share Option Scheme at any time if such grant would result in the Scheme Limit being exceeded.

The Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and all other share option schemes of the Company shall not exceed 10% of the Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”), subject to renewal of the Scheme Mandate Limit as referred to below. Options lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit as the same may be renewed from time to time.

As at the Latest Practicable Date, there were 1,516,683,755 Shares in issue. Assuming that no further Shares will be allotted, issued or repurchased prior to the AGM, the total number of Shares issuable pursuant to the New Share Option Scheme on the date of its adoption would be 151,668,375 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme.

Based on 1,516,683,755 Shares in issue as at the Latest Practicable Date, a total of 455,005,126 Shares (representing approximately 30% of the Shares in issue) may be issued under the Scheme Limit. Assuming (i) the exercise of all of the outstanding Options granted under the Old Share Option Scheme to subscribe for an aggregate of 3,409,000 Shares (representing 0.22% of the total number of issued Shares as at the Latest Practicable Date), and (ii) the utilization in full of the Scheme Mandate Limit of the New Share Option Scheme (being 151,668,375 Shares), the total number of Shares that may fall to be issued will be 155,077,375 Shares (representing approximately 10.22% of the Shares in issue as at the Latest Practicable Date), which will be within the Scheme Limit of 455,005,126 Shares.

The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders' approval. However, the Scheme Mandate Limit as renewed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the New Share Option Scheme and under any other share option schemes (including those outstanding, lapsed in accordance with the schemes or exercised) shall not be counted for the purpose of calculating the 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 Company may also seek separate Shareholders' approval for granting Options beyond the Scheme Mandate Limit, as the same may be renewed from time to time, to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought. A circular with the relevant information as required under the Listing Rules shall be sent to Shareholders containing, amongst others, a generic description of the identified Participants, the number and terms of the Options to be granted, the purpose of granting Options to the identified Participants, and how these Options serve such purpose.

The total number of Shares issued and to be issued on the exercise of Options granted and to be granted (including both exercised and outstanding Options) in any 12-month period up to the date of grant of each Participant shall not exceed 1% of the total issued Shares unless (i) a shareholders' circular is despatched to the Shareholders; (ii) the Shareholders approve the grant of the Options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant Participant and his associates abstain from voting on such resolution.

The Company will be prepared to amend the New Share Option Scheme (subject to the approval by the Shareholders in general meeting) to the extent necessary in order to ensure compliance with any new requirements regarding a sublimit to be set for grants of Options to certain Participants and the requisite approvals from the remuneration committee of the Company for the grant of Options to Participants who are not employees, officers or directors of the Group, as and when they become effective.

The exercise of any Option shall be subject to Shareholders' approval in a general meeting of any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to allot the Shares on the exercise of Options.

## 5. Exercise of Options

An Option may be exercised at any time during the period to be determined and identified by the Board to each Grantee at the time of making an offer for the grant of an Option, but in any event no later than 10 years from the Date of Grant (the “**Option Period**”). An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given and any applicable tax withholding to the Company.

Within 10 business days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Auditors, the Company shall allot, and shall instruct the Share Registrar to issue, subject to the provisions of the New Share Option Scheme, such number of Shares to the Grantee credited as fully paid.

There is no performance target which must be achieved before any of the Options can be exercised, unless otherwise determined by the Board.

## 6. Restrictions on the time of grant of Options

No offer shall be made and no Option shall be granted to any Participant:

- (a) after inside information (having the meaning defined in the SFO has come to the Company’s knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or
- (b) during the period commencing one month immediately before the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

**7. Rights are personal to the Grantees**

An Option is personal to the Grantee and shall not be assignable. An Option shall not be sold, transferred, charged, mortgaged, encumbered or created with any interest in favour of any third party over or in relation to any Option. Any breach of the forgoing shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee without incurring any liability on the part of the Company.

**8. Grant of Options to Connected Persons or any of their associates**

Each grant of Options to any director, chief executive or substantial shareholder of the Company shall be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed Grantee of the Options). Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such grant of Options must be approved (voting by way of poll) by the Shareholders. All connected persons (as defined in the Listing Rules) of the Company must abstain from voting at such general meeting, except that any connected person 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 for the relevant resolution.

**9. Rights on ceasing employment**

In the event a Grantee of any Option, if an employee, ceases to be an employee of the Group for any reason other than on his/her death or the termination of his/her employment on one or more of the grounds specified in paragraph 19(f), the Option shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Board may determine. The date of cessation of employment shall be the last actual working day on which the Grantee was physically at work with the Company or the relevant Subsidiary or Associated Company, whether salary is paid in lieu of notice or not.

**10. Rights on death**

In the event the Grantee of any Option, if an employee of the Group, dies before exercising the Option in full and none of the events which would be a ground for termination of his or her employment under paragraph 19(f) then exists, the personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death.

**11. Rights on takeover**

If a general offer by way of takeover (other than by way of scheme of arrangement pursuant to paragraph 12 below) is made to all or substantially all the holders of Shares (or all or substantially all the holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option either to its full extent or to the extent notified by the Company at any time within such period as shall be notified by the Company.

**12. Rights on scheme of arrangement**

If a general offer by way of scheme of arrangement is made to all or substantially all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company.

**13. Rights on winding up**

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee of an Option and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company, and following such exercise the Company shall as soon as practicable, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

**14. Rights on compromise or arrangement**

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 12 above, between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme, compromise or arrangement and the Grantee at any may time thereafter but before such time as shall be notified by the Company exercise the Option either to its full extent or to the extent notified by the Company in accordance with the Share Option Scheme, and following such exercise the Company shall as soon as practicable, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

**15. Ranking of Shares**

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of association for the time being in force and will *rank pari passu* with the fully paid Shares in issue on the date the name of the Grantee is registered as the holder of those Shares in the register of members of the Company. Prior to the Grantee being registered as the holder of those Shares in the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions of the Company, or any rights arising on a liquidation of the Company, or any rights as to transfer, in respect of the Shares to be issued upon the exercise of the Option.

**16. Cancellation of Options**

Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the Grantee under a share option scheme with available unissued options (excluding the cancelled options) provided such new Options fall within the limits prescribed by paragraph 4 and otherwise comply with the terms of the New Share Option Scheme.

**17. Effect of alterations to share capital**

In the event of any alteration in the capital structure of the Company arising as a result of capitalisation of profits or reserves, rights issue or consolidation, sub-division, or reduction of the share capital of the Company whilst any option remains exercisable, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of Options,

or any combination thereof, as the Auditors shall, at the request of the Company, certify in writing, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled, but so that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. The capacity of the Auditors acting in accordance with the provisions described in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors shall be borne by the Company.

**18. Duration and administration of the New Share Option Scheme**

The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date. After the expiry of the ten-year period, no further Options shall be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the end of the ten-year period.

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided therein) shall be final and binding on all parties.

**19. Lapse of Options**

Subject to the provisions of the New Share Option Scheme, an Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of the periods for exercising the Option as referred to in paragraphs 9, 10, 11, 13 or 14 above;
- (c) subject to the scheme of arrangement (referred to in paragraph 12) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 12;
- (d) subject to paragraph 13, the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee commits a breach of paragraph 7;
- (f) the date on which the Grantee, if an employee, ceases to be an employee of the Group by reason of the termination of his or her employment on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily; and
- (g) subject to paragraph 9, the date the Grantee, if an employee, ceases to be an employee of the Group by any other reason, provided that the foregoing provisions of this paragraph 19(g) shall not apply in circumstances where the Grantee ceases to be an employee of the Group but thereafter remains a director of any member(s) of the Group, in which circumstance the Option shall continue in force unaffected and continue to be exerciseable in accordance with its terms.



**20. Alterations to the terms of the New Share Option Scheme**

Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Participants and no changes to the authority of the Directors or administrator of the New Share Option Scheme in relation to any alteration of the terms of the New Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The New Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

**21. Termination**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Share Option Scheme and remain unexpired immediately prior to the termination of the operation of the Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the New Share Option Scheme.