

31 December 2021

Hong Kong Exchanges and Clearing Limited  
8<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

Dear Sirs

**Re: Consultation Paper on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers**

We refer to the Consultation Paper on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers (“**Consultation Paper**”) published by HKEx in October 2021.

Unless otherwise stated, capitalised terms used in this letter have the same meaning as defined in the Consultation Paper.

**Application of the Proposed Amendments to Subsidiaries’ Share Schemes**

Whilst we in principle do not object to the proposal to amend Chapter 17 to also govern share award schemes involving the grant of new shares of listed issuers, we have concerns on the proposed language amending Rule 17.01(1) set forth in Appendix II (Draft Amendments to the Listing Rules) as to be applied to subsidiaries’ Share Schemes. The proposed Rule 17.01(1) refers to all schemes involving the grant by a listed issuer or any of its subsidiaries of:

- new shares of the listed issuer; or
- new or existing shares of any of its subsidiaries.

We submit that the reference to “existing shares” of subsidiaries in the above formulation should be further refined to make a clear distinction of treatment on (i) Share Schemes involving issuance of new shares and (ii) Share Schemes involving the purchase of existing shares, listed or otherwise, on-market funded by subsidiaries of a listed issuer. Share Schemes in the category (ii) do not pose the same dilution risks in so far as the listed issuer and its shareholders are concerned and should not be subject to the full extent of Chapter 17, in particular the shareholders’/independent shareholders’ approval requirements as may be applicable to such Share Grants.

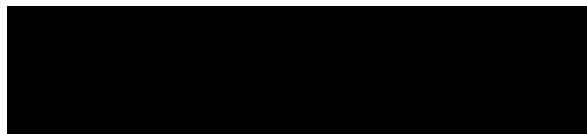
**Waivers from the Scheme Mandate Limit**

As regards the proposal in paragraph 46 of the Consultation Paper on the possibility of the Exchange granting waivers from the Scheme Mandate Limit, taking into account factors such as the necessity of the proposed mandate, industry norms and the criteria for granting shares under the mandate, we are of the view that the waiver regime should not be restricted to business sectors such as internet technology businesses or internet-based business models as for other business sectors, it may be in shareholders' interest to grant equity (as opposed to cash) incentives too and the provisions should be sufficiently flexible to cater for that.

If you require any further information, please feel free to contact the undersigned on  .

Yours faithfully

For and on behalf of  
**Melco International Development Limited**



Name: Vincent Leung

Position: Company Secretary and Group General Counsel