
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in MelcoLot Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or another agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange (the “**GEM 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, (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



MelcoLot Limited

(formerly known as Melco LottVentures Limited)

(incorporated in the Cayman Islands with limited liability)

website: <http://www.melcolot.com>

(Stock Code: 8198)

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED REFRESHMENT OF THE LIMIT OF THE EXISTING
SHARE OPTION SCHEME;
AND
(3) PROPOSED RE-ELECTION OF DIRECTORS**

The notice convening the annual general meeting of the Company to be held at Units 901-7, 9th Floor, Prosperity Millennia Plaza, 663 King's Road, North Point, Hong Kong on Friday, 8 May 2009 at 4:00 p.m. (the “**AGM**”) is set out in the annual report of the Company for the year ended 31 December 2008 (the “**Annual Report**”).

A form of proxy for the AGM is enclosed with the Annual Report of the Company. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days and the Company's website at www.melcolot.com from the date of its publication.

31 March 2009

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Units 901-7, 9th Floor, Prosperity Millennia Plaza, 663 King’s Road, North Point, Hong Kong on Friday, 8 May 2009 at 4:00 p.m., notice of which is set out in the Annual Report;
“AGM Notice”	the notice for convening the AGM set out in the Annual Report;
“Annual Report”	the annual report of the Company for the year ended 31 December 2008;
“Articles of Association” or “Article(s)”	the articles of association of the Company as may be amended from time to time;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors or a duly authorised committee thereof from time to time;
“Company”	MelcoLot Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM;
“Directors”	the directors of the Company from time to time;
“Eligible Participant(s)”	any employee, Director, adviser or business consultant of the Company or any of its subsidiaries as determined by the Board at its absolute discretion;
“Existing Scheme Limit”	the existing scheme limit under the Existing Share Option Scheme refreshed by the Shareholders at the extraordinary general meeting of the Company on 20 February 2008, which set out the maximum number of share options that may be granted by the Company to the Eligible Participants, being 10% of the issued share capital of the Company as at the date of such refreshment;
“Existing Share Option Scheme”	the existing share option scheme of the Company approved by the Shareholders on 20 April 2002;
“GEM”	the Growth Enterprise Market of the Stock Exchange;

DEFINITIONS

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as may be amended from time to time;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	25 March 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“month”	calendar month;
“New Issue Mandate”	a proposed general unconditional mandate to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in Ordinary Resolution no. 5 in the AGM Notice up to twenty percent (20%) of the issued share capital of the Company as at the date of passing such Ordinary Resolution;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice;
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 20 April 2002;
“Proposed Refreshment”	the proposal to refresh the Existing Scheme Limit so that the Company may grant options to the Eligible Participants of up to 10% of its issued share capital as at the date of approving such refreshment by the Shareholders at the AGM;
“Repurchase Mandate”	a proposed general unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in Ordinary Resolution no. 6 in the AGM Notice up to ten percent (10%) of the issued share capital of the Company as at the date of passing such Ordinary Resolution;
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

DEFINITIONS

“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company;
“Shareholders”	holders of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

LETTER FROM THE BOARD



MelcoLot Limited

(formerly known as Melco LottVentures Limited)

(incorporated in the Cayman Islands with limited liability)

website: <http://www.melcolot.com>

(Stock Code: 8198)

Executive Directors:

Mr. Chan Sek Keung, Ringo (*Chairman*)

Mr. Ko Chun Fung, Henry (*Chief Executive Officer*)

Mr. Christos Moumouris

Independent Non-Executive Directors:

Mr. David Tsoi

Mr. Pang Hing Chung, Alfred

Mr. So Lie Mo, Raymond

Registered Office:

4th Floor, Scotia Centre

P.O. Box 2804

George Town

Grand Cayman KY1-1112

Cayman Islands

*Head Office and Principal Place
of Business:*

31st Floor, The Centrium

60 Wyndham Street

Central, Hong Kong

31 March 2009

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED REFRESHMENT OF THE LIMIT OF THE EXISTING
SHARE OPTION SCHEME;
AND
(3) PROPOSED RE-ELECTION OF DIRECTORS**

INTRODUCTION

On 28 April 2008, resolutions were passed by the then Shareholders giving general unconditional mandates to the Directors to issue and repurchase Shares. These general mandates will expire at the conclusion of the AGM to be held on 8 May 2009. Ordinary Resolutions will be proposed at the AGM to renew these general mandates.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding ordinary resolutions to be proposed at the AGM for, inter alia, (i) the granting to the Directors of general mandates for the issue and repurchase of Shares; (ii) the extension of the general mandates to issue additional Shares; (iii) the refreshment of the limit of the Existing Share Option Scheme; and (iv) the re-election of two Directors and the other relevant information regarding the AGM.

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

On 28 April 2008, resolutions were passed by the then Shareholders giving general unconditional mandates to the Directors to:

- (a) allot, issue and deal with Shares with a total nominal value not exceeding twenty percent (20%) of the total issued share capital of the Company as at the date of passing of the relevant ordinary resolution approving such new issue mandate;
- (b) repurchase such number of Shares representing up to ten percent (10%) of the total issued share capital of the Company as at the date of passing of the relevant ordinary resolution approving such repurchase mandate; and
- (c) add to the general mandate for issuing Shares set out in paragraph (a) above an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the repurchase mandate set out in paragraph (b) above.

The abovementioned general mandates will expire at the conclusion of the AGM to be held on 8 May 2009. It is therefore proposed to seek your approval to renew these general mandates at the AGM.

The Appendix to this circular contains an explanatory statement to repurchase mandate, as required by Rule 13.08 of the GEM Listing Rules, to provide the requisite information to the Shareholders to enable the Shareholders to make an informed decision on whether to vote for or against the Ordinary Resolution in relation to the Repurchase Mandate.

NEW ISSUE MANDATE

At the AGM, an Ordinary Resolution will be proposed to grant to the Directors the New Issue Mandate, details of which are set out in Ordinary Resolution no. 5 in the AGM Notice. The Shares which may be allotted, issued and dealt with pursuant to the New Issue Mandate is limited to a maximum of twenty percent (20%) of the issued share capital of the Company as at the date of passing of the Ordinary Resolution approving the New Issue Mandate. In addition, conditional upon the Ordinary Resolutions to grant to the Directors the New Issue Mandate and the Repurchase Mandate being passed, an Ordinary Resolution will be proposed that the New Issue Mandate be extended so as to authorise the Directors to allot, issue and otherwise deal with further Shares up to an aggregate nominal amount equal to the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

LETTER FROM THE BOARD

Based on the 500,515,433 Shares in issue as at the Latest Practicable Date and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, if the New Issue Mandate is approved at the AGM, the total number of new Shares that may be issued under the New Issue Mandate will be 100,103,086 Shares, representing 20% of the 500,515,433 Shares in issue as at the date of the AGM. If the New Issue Mandate is approved by the Shareholders at the AGM, it will be and will continue to be in force from the date of the AGM until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company's Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying such mandate, whichever occurs first.

REPURCHASE MANDATE

At the AGM, an Ordinary Resolution will be proposed to grant to the Directors the Repurchase Mandate, details of which are set out in Ordinary Resolution no. 6 in the AGM Notice. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of ten percent (10%) of the issued share capital of the Company as at the date of passing of the Ordinary Resolution approving the Repurchase Mandate.

PROPOSED REFRESHMENT OF THE LIMIT OF THE EXISTING SHARE OPTION SCHEME

The Pre-IPO Share Option Scheme and the Existing Share Option Scheme were adopted pursuant to an ordinary resolution passed by the Shareholders on 20 April 2002 respectively. Pursuant to the Pre-IPO Share Option Scheme and the Existing Share Option Scheme, the Directors were authorised to grant share options to the Eligible Participants to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of the share options granted under the Pre-IPO Share Option Scheme and the Existing Share Option Scheme, and the maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Share Option Scheme, the Existing Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

The Existing Scheme Limit was refreshed at the annual general meeting held on 25 April 2003 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorised to grant share options to subscribe for up to a maximum number of 28,226,800 Shares. The Existing Scheme Limit was further refreshed at the extraordinary general meeting held on 20 February 2008 for a 10% of the then total issued share capital of the Company, pursuant to which the Company was authorised to grant share options to subscribe for up to a maximum number of 43,415,149 Shares.

Under the Pre-IPO Share Option Scheme, share options carrying the rights to subscribe for 11,913,000 Shares were granted, of which 5,300,000 were exercised, 3,000,000 were outstanding and 3,613,000 were lapsed (representing approximately 1.06%, 0.60% and 0.72% respectively of the issued share capital of the Company as at the Latest Practicable Date).

LETTER FROM THE BOARD

Under the initial limit (the “Initial Limit”) of the Existing Share Option Scheme, the Company may grant options of up to 10% (equivalent to 27,826,000 Shares) of the issued share capital of the Company as at the date of placing under the prospectus of the Company dated 10 May 2002, and share options carrying the rights to subscribe for 13,136,000 Shares were granted, of which 6,901,000 were exercised, 1,200,000 were outstanding and 5,035,000 were lapsed (representing approximately 1.38%, 0.24% and 1.01% respectively of the issued share capital of the Company as at the Latest Practicable Date).

At the annual general meeting of the Company on 25 April 2003, the Initial Limit was refreshed (the “Second Limit”) and the Existing Scheme Limit was approved by the Shareholders. Under the Existing Scheme Limit, the Company may grant options of up to 10% (equivalent to 28,226,800 Shares) of the issued share capital of the Company as at the date of such refreshment, and share options carrying the rights to subscribe for 15,855,000 Shares were granted, of which 4,460,750 were exercised, 8,045,000 were outstanding and 3,349,250 were lapsed, representing approximately 0.89%, 1.61% and 0.67% respectively of the issued share capital of the Company as at the Latest Practicable Date.

At the extraordinary general meeting of the Company on 20 February 2008, the Second Limit was refreshed and the Existing Scheme Limit was approved by the Shareholders. Under the Existing Scheme Limit, the Company may grant options of up to 10% (equivalent to 43,415,149 Shares) of the issued share capital of the Company as at the date of such refreshment, and share options carrying the rights to subscribe for 43,000,000 Shares were granted, of which 43,000,000 were outstanding (representing approximately 8.59% of the issued share capital of the Company as at the Latest Practicable Date) and none were exercised, lapsed nor cancelled. The share options carrying the rights to subscribe for 415,149 Shares were available for granting by the Company as at the Latest Practicable Date.

Reasons for the Proposed Refreshment

The Pre-IPO Share Option Scheme and the Existing Share Option Scheme were adopted by the Company for the purpose to encourage the Eligible Participants to achieve long term performance targets set by the Group and at the same time allows the Eligible Participants to enjoy the results of the Company attained through their efforts and contribution. As at the Latest Practicable Date, there remains 55,245,000 available share options, which the Company may grant to the Eligible Participants under the Existing Scheme Limit, representing approximately 11.04% of the issued share capital of the Company as at the Latest Practicable Date. The Directors consider that the share option scheme is a cost effective way to reward Eligible Participants who have made contributions to the Group and the Company should refresh the Existing Scheme Limit so that the Company could have more flexibility to provide incentives to and motivates those Eligible Participants under the Pre-IPO Share Option Scheme and/or the Existing Share Option Scheme by way of granting share options to them.

If the refreshment of the Existing Scheme Limit is approved at the AGM, based on the 500,515,433 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued up to the date of the AGM, the Company will be authorised to grant share options under the Existing Share Option Scheme for subscription of up to a total of 50,051,543 Shares, representing approximately 10% of the issued share capital of the Company as at the date of the AGM. Any remaining available share options that are not granted under the Existing Scheme Limit, will not be granted in the future upon the approval of the Proposed Refreshment at the AGM. As at the Latest Practicable Date, the Company has not adopted any share option schemes other than the Pre-IPO Share Option Scheme and the Existing Share Option Scheme.

LETTER FROM THE BOARD

Conditions of the Proposed Refreshment

The Proposed Refreshment is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and
2. the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may be issued and allotted upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Existing Share Option Scheme, up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM.

Application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options to be granted under the refreshed Existing Scheme Limit.

RE-ELECTION OF DIRECTORS

The Directors have recommended the re-election of the following directors:

Mr. PANG Hing Chung, Alfred (“Mr. Pang”), aged 47, is an independent non-executive Director. He is also a member of the audit committee of the Board.

Mr. Pang first joined the Company in March 1999. He retires by rotation under Article 87 of the Articles of Association and, being eligible, offers himself for re-election. Apart from being the Director, Mr. Pang has not been a director of any other public listed company for the past three years.

Mr. Pang has been appointed as an independent non-executive Director for a term of two years commencing 1 April 2008, subject to the retirement by rotation as required by the Articles of Association, and carries an annual Director’s fee of HK\$120,000.00. His remuneration package has been determined by reference to his duties, responsibilities and experience. Mr. Pang now serves on the audit committee of the Board will remain a member of the committee after his re-election now being proposed.

Mr. Pang’s interests in the Shares, within the meaning of Part XV of the SFO as at the Latest Practicable Date include 1,500,000 Shares beneficially owned by him and 200,000 share options granted to him on 7 December 2007 at the exercise price of HK\$2.72 per Share. The above options granted to Mr. Pang will expire, if not exercised, on 6 December 2009, 2 years from the date of grant.

Mr. Pang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders within the meaning of Part XV of SFO.

Save as those disclosed above, there are no other matters need to be brought to the attention of the Shareholders.

Save as those disclosed above, there are no other information to be disclosed pursuant to the requirements of rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

LETTER FROM THE BOARD

Mr. SO Lie Mo, Raymond (“Mr. So”), aged 59, is an independent non-executive Director. Mr. So first joined the Company in September 2007. He retires by rotation under Article 87 of the Articles of Association and, being eligible, offers himself for re-election. Apart from being the Director, Mr. So has not been a director of any other public listed company for the past three years.

Mr. So’s appointment as an independent non-executive Director with the Company for a term of two years ending 5 September 2009 and carries an annual Director’s fee of HK\$120,000.00. The said fee is determined by reference to his duties, responsibilities and experience. Mr. So has served on both the audit committee and the remuneration committee of the Board ever since his initial appointment to the Board and will remain a member of both committees after his re-election now being proposed.

Mr. So’s interests in the Shares, within the meaning of Part XV of the SFO as at the Latest Practicable Date are 750,000 share options granted to him on 7 December 2007 at the exercise price of HK\$2.72 per Share. This options granted to Mr. So will expire, if not exercised, on 6 December 2009, 2 years from the date of grant.

Mr. So does not have any relationship with any Director, senior management or substantial or controlling Shareholders within the meaning of Part XV of SFO.

Save as those disclosed above, there are no other matters need to be brought to the attention of the Shareholders.

Save as those disclosed above, there are no other information to be disclosed pursuant to the requirements of rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules.

AGM

The AGM Notice is set out in the ending pages of the Annual Report.

A form of proxy for the AGM is enclosed with the Annual Report. Whether you intend to attend the AGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

PROCEDURES FOR DEMANDING A POLL BY THE SHAREHOLDERS

Article 66 of the Company’s Articles of Association sets out the procedures by which Shareholders may demand a poll at general meetings.

According to Rule 17.47(4) of the GEM Listing Rules, any voting of the Shareholders at the AGM will be taken by way of poll and an announcement will be made after the AGM on the results of the AGM. To the best of the Directors knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting on any resolutions to be approved at the AGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders and therefore recommend the Shareholders to vote in favour of the Ordinary Resolutions at the AGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board of
MelcoLot Limited
Chan Sek Keung, Ringo
Chairman

This is an explanatory statement given to all Shareholders relating to the ordinary resolution to be proposed at the AGM authorising the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules and other relevant provisions of the GEM Listing Rules.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 500,515,433 Shares.

Subject to the passing of the Ordinary Resolution no. 6 in the AGM Notice and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 50,051,543 Shares, representing 10% of the issued share capital of the Company during the period from the date of the passing of such Ordinary Resolution until (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or its earnings per Share of the Company.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase its own Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the GEM in each of the previous twelve months preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
<u>2008</u>		
March	1.450	0.720
April	1.320	0.900
May	1.260	0.930
June	1.250	0.860
July	0.990	0.760
August	0.850	0.600
September	0.840	0.550
October	0.830	0.250
November	0.300	0.216
December	0.320	0.230
<u>2009</u>		
January	0.300	0.244
February	0.300	0.165
March (up to the Latest Practicable Date)	0.230	0.168

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and Articles of Association and the applicable laws of the Cayman Islands.

7. THE TAKEOVERS CODE

If as a result of a repurchase of Shares, 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(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares in issue and in the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the percentage interest in the Shares:

Name of shareholder	Capacity	Number of Share interested	Approximate percentage of interest (Note 1)	Approximate percentage of interest when exercise in full the power to repurchase Shares
Mr. Chan Sek Keung, Ringo (Note 2)	Beneficial owner	18,876,000	3.77%	4.19%
	Interest through controlled corporation	56,400,000	11.27%	12.52%
Woodstock Management Limited (Note 2)	Beneficial owner	56,400,000	11.27%	12.52%
Melco LottVentures Holdings Limited ("Melco LV")	Beneficial owner	51,977,024	10.38%	11.54%
Melco Leisure and Entertainment Group Limited ("Melco Leisure")	Interest through controlled corporations	51,977,024 (Note 3)	10.38%	11.54%
Melco International Development Limited ("Melco International")	Interest through controlled corporations	51,977,024 (Note 4)	10.38%	11.54%
Mr. Ho, Lawrence Yau Lung ("Mr. Ho")	Interest through controlled corporations	51,977,024 (Note 5)	10.38%	11.54%

Notes:

- (1) As at the Latest Practicable Date, the total number of issued shares of the Company was 500,515,433.
- (2) Mr. Chan Sek Keung, Ringo, chairman and executive Director, is deemed, by virtue of the SFO, to be interested in the 56,400,000 Shares held by Woodstock Management Limited, a company wholly-owned by him, in addition to 18,876,000 Shares held by him personally.
- (3) Melco Leisure is deemed to be interested in the 51,977,024 Shares by virtue of its controlling interests in its wholly-owned subsidiary, Melco LottVentures Holdings Limited.
- (4) Melco International is deemed to be interested in the 51,977,024 Shares by virtue of its controlling interests in its wholly-owned subsidiary, Melco Leisure.
- (5) Mr. Ho is deemed to be interested in the 51,977,024 Shares by virtue of his controlling interests in Melco International together with Melco LV, which are held by his controlled corporations.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the number of Shares held by the public being reduced to less than 25 per cent.

The GEM Listing Rules prohibit the Company from knowingly purchasing its securities on GEM from a “connected person”, that is, a director, chief executive, management shareholders or substantial shareholder of the Company or any of its subsidiaries or their respective associates.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules) have any present intention to sell Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

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

8. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) during the six months immediately preceding the Latest Practicable Date.