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WRM’s CONCESSION

The following is a summary of the material terms of WRM’s concession agreement with the Macau government. There are Chinese and Portuguese versions of the concession agreement, each of which is an official document of equal authority. The following summary is based on unofficial English translations of both of the official Chinese and Portuguese versions of the agreement and is qualified in its entirety by reference to the two official versions of the concession agreement themselves. We believe that the following summary of WRM’s concession agreement reflects the material terms of the concession agreement in all material respects. However, because of the difficulties inherent in translation, English may not precisely convey the nuances of the concession agreement, and the English translations of the concession agreement may imply meanings different from those embodied in the official documents. Moreover, the concession agreement provides that all issues of interpretation will be subject to the exclusive jurisdiction of the Macau courts.

CONCESSION AGREEMENT

On 24 June 2002, WRM, which will be our wholly owned subsidiary at the time of the completion of the Reorganization, and the Macau government entered into a Concession Contract for the Operation of Games of Chance or Other Games in Casinos in the Macau Special Administrative Region (the “Concession Agreement”), pursuant to which WRM was granted a 20-year concession, beginning on 27 June 2002 and expiring on 26 June 2022, to operate games of chance and other casino games in casinos and other gaming areas authorized and classified by the Macau government. Under Macau law, the Concession Agreement may be extended by mutual agreement of the parties for up to an additional five years.

Pursuant to the Concession Agreement, WRM was required to construct and operate one or more casino gaming properties in Macau, including, at a minimum, one resort-hotel casino complex by the end of December 2006, and to invest not less than a total of MOP4,000 million (HK\$3,883.5 million) in Macau-related projects by June 2009. These obligations were satisfied with the opening of Wynn Macau in September 2006.

WRM was also obligated to obtain, and did obtain, a MOP700 million (HK\$679.6 million) bank guarantee from Banco Nacional Ultramarino, S.A. (“BNU”) that was effective until 31 March 2007. The amount of this guarantee was reduced to MOP300 million (HK\$291.3 million) for the period from 1 April 2007 until 180 days after the end of the term of the Concession Agreement. This guarantee, which is for the benefit of the Macau government, supports WRM’s obligations under the Macau law and Concession Agreement, including the payment of premiums, fines and indemnities for any failure to perform the Concession Agreement. WRM is obligated, upon demand by BNU, to promptly repay any claim made under the guarantee by the Macau government. BNU is currently paid an annual fee by WRM for the guarantee not to exceed MOP5.2 million (HK\$5.0 million).

Taxes and Required Social Contributions

There are two types of gaming payments payable to the Macau government from WRM under the Concession Agreement: a gaming premium and a special gaming tax. Macau law also imposes a complementary income tax and a dividend withholding tax.

The gaming premium is composed of (1) a fixed portion in an amount equal to MOP30.0 million (HK\$29.1 million) per year, and (2) a variable portion that is calculated based on the number of gaming tables and gaming machines, including slot machines, operated by WRM (equal to MOP300,000 (HK\$291,262) per year per VIP gaming table, MOP150,000 (HK\$145,631) per year per mass market gaming table and MOP1,000 (HK\$971) per year per electric or mechanical gaming machine, including slot machine). The amount of the variable portion of the premium cannot be less than MOP45.0 million (HK\$43.7 million) per year. The special gaming tax is assessed at the rate of 35% of annual gross gaming revenues.

WRM must pay, on a monthly basis, 1.6% of its gross gaming revenues to the Macau government for use by a public foundation designated by the Macau government for the promotion, development and study of social,

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WRM’s CONCESSION

cultural, economic, educational, scientific, academic and charitable activities in Macau. In addition, WRM must pay, on a monthly basis, 2.4% of its gross gaming revenues to the Macau government for urban development, business promotion and social security in Macau. Under the Concession Agreement, WRM may, with the consent of the Macau government, allocate up to one-half of this second contribution to one or more entities or projects designated by WRM, in which case the amount of such contribution to the beneficiaries designated by the Macau government will be reduced accordingly. The Concession Agreement provides that WRM and the Macau government may revise the rates of these required contributions during 2010.

In addition, Macau generally imposes (1) a complementary income tax at a progressive rate not exceeding 12% on taxable profits in excess of MOP300,000 (HK\$291,262) realized from conducting business in Macau and (2) a 12% tax on dividends paid from Macau entities to their shareholders. Our gaming-related revenues are exempt from complementary tax effective 6 September 2006 for a period of five years as a result of an exemption granted to WRM by the Chief Executive of Macau; however, our non-casino revenues are subject to the complementary tax. In respect of the withholding tax on dividends, WRM has agreed with the Macau government to make an annual payment of MOP7.2 million (HK\$7.0 million) to the Macau government in place of any other applicable tax on dividends attributable to our gaming income. This arrangement is in respect of each of the years ended 31 December 2006 through 2010. We have no assurance that the Macau government will permit this arrangement to continue beyond 2010 or that this arrangement will not change in the future. If the arrangement changes or is discontinued, dividends distributed by WRM may become subject to tax at a rate of up to 12%, which could have a material and adverse effect on our business, financial condition and results of operations.

Grant of Additional Concessions

The Concession Agreement permits the Macau government to grant additional concessions for the operation of games of chance or other games in casinos after 1 April 2009. If the Macau government awards additional concessions after 1 April 2009 with conditions that are, in overall terms, more favorable than those set forth in the Concession Agreement, the Macau government is required to extend these conditions to WRM by altering the terms of the Concession Agreement.

Government Supervision of Gaming Operations

According to the Concession Agreement, the Macau government is entitled to enter the premises of Wynn Macau at any time and review its records to monitor the gross gaming revenues. WRM is required to submit financial reports and other documentation to the Macau government and respond to the Macau government’s requests for information. WRM must inform the Macau government of any events that may affect the normal operation or economic stability of its operations.

Suitability Requirements and Executive Director

WRM and its directors, key employees, managing companies and shareholders who own 5% or more of WRM’s shares must be found suitable and are subject to the continuous monitoring and supervision of the Macau government for the term of the Concession Agreement to ensure that they are suitable to conduct a gaming business in Macau. The objectives of the Macau government’s supervision are to preserve the conduct of gaming in Macau in a fair and honest manner and to safeguard and protect the interests of Macau in receiving taxes from the operation of casinos in the jurisdiction.

The Company’s Articles of Association provide that Shares owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable, without the prior consent or agreement of the owners or holders of such Shares, by the Company, out of funds legally available for that redemption, by appropriate action of the Board to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable. This provision reflects a requirement under Macau law that applies to all

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WRM’s CONCESSION

concessionaires and subconcessionaires, which requires a shareholder holding 5% or more of the share capital therein who is found unsuitable to dispose of their shares within the time ascribed by the Macau government, failing which the concessionaire or subconcessionaire is legally required to acquire or redeem such shares. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by the Board. If determined by the Company, the price for the Shares will not exceed the closing price per share of the Shares on the principal securities exchange on which the Shares are then listed on the trading date on the day before the redemption notice is given. The Company’s right of redemption is not exclusive of any other rights that it may have or later acquire under any agreement, its bylaws or otherwise. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as we elect. Such redemption pursuant to the Articles of Association does not have any implication under the Hong Kong Code on Share Repurchase.

WRM is required to have an executive director who is a Macau permanent resident and holds at least 10% of the voting shares and capital in WRM. Mr. Wong Chi Seng, one of WRM’s executive directors, meets the aforementioned requirements. Mr. Wong Chi Seng’s economic interest in WRM is limited to MOP1.00. The appointment, scope of authority, term of office and any alteration to such appointment, scope of authority or term of office of the executive director of WRM are established by the board of directors of WRM and are subject to Macau government approval. Government approval must also be obtained if the board of directors of WRM desires to delegate governing authority to another person or body.

Restrictions on Transfer of Shares

The Concession Agreement requires that WRM obtain government authorization before permitting the transfer or encumbrance of, or the grant of voting rights with respect to, the shares of WRM. Government approval must also be obtained before the transfer of any direct or indirect property rights or other rights in the shares of WRM, when this share capital directly or indirectly corresponds to a value of 5% or more of WRM’s share capital, *unless* the transfer is of the shares of a legal person which is listed on a stock exchange that are publicly traded thereon. Consequently, after the completion of the Reorganization, transfers of our Shares are not restricted. Any new shareholder that proposes to own 5% or more of WRM’s share capital is also subject to the Macau government’s suitability determination as set forth in detail above, including being found suitable by the Macau government to conduct a gaming business in Macau and being subject to such continuous monitoring and supervision for the term of the Concession Agreement.

Optional Redemption by the Macau Government

Beginning in the fifteenth year of WRM’s concession, the Macau government may exercise its right to redeem the concession by providing WRM with at least one year’s prior written notice. In such event, WRM is entitled to fair compensation. The amount of such compensation will be determined based on the earnings during the taxable year prior to the redemption, before deducting interest, depreciation and amortization, multiplied by the number of remaining years before expiration of WRM’s concession.

Unilateral Rescission for Non-Fulfillment

The Macau government may unilaterally rescind the concession if WRM fails to fulfill its fundamental obligations under the Concession Agreement. The Concession Agreement expressly provides that the Macau government may unilaterally rescind the Concession Agreement if, among other things, WRM:

- Conducts unauthorized games or carries out activities that are excluded from its corporate purpose;
- Abandons or suspends gaming operations in Macau for more than seven consecutive days (or more than 14 days) within one calendar year without justification;

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WRM’s CONCESSION

- Transfers all or part of its gaming operations in Macau without obtaining prior authorization from the Macau government;
- Defaults in payment of taxes, premiums, contributions or other required amounts;
- Fails to resume operations following the temporary assumption of operations by the Macau government;
- Does not comply with government inspections, supervision or decisions;
- Systematically fails to observe its obligations under the concession system;
- Fails to maintain bank guarantees or bonds as required under the concession agreement in a form satisfactory to the government;
- Is the subject of bankruptcy proceedings or becomes insolvent;
- Engages in serious fraudulent activity, damaging to the public interest; or
- Repeatedly and seriously violates applicable gaming laws or damages gaming impartiality.

If the Macau government unilaterally rescinds the Concession Agreement, WRM will be required to compensate the Macau government in accordance with applicable law, and all of WRM’s casinos, gaming assets and equipment and ownership rights to its casino properties in Macau will be transferred to the Macau government without compensation. In addition, the Macau government may, in the public interest, unilaterally terminate concession at any time, in which case WRM would be entitled to reasonable compensation.

SUBCONCESSION AGREEMENT

As authorized by the Macau government, WRM entered into a subconcession contract with Publishing and Broadcasting, Ltd. (“PBL”) on 4 March 2006 (the “Subconcession Agreement”) to operate casino games and hotel casino resorts. WRM then entered into a subconcession with Melco Crown Gaming (Macau) Limited (formerly known as PBL Entertainment (Macau) Limited and later as Melco PBL Gaming (Macau) Limited) dated 8 September 2006 (the “Melco Subconcession Agreement”). Under the terms of the Melco Subconcession Agreement, Melco Crown Gaming (Macau) Limited paid WRM US\$900 million.

The Melco Subconcession Agreement sets out the terms and conditions of the subconcession entered into between WRM and Melco Crown Gaming (Macau) Limited for the operation by Melco Crown Gaming (Macau) Limited of casino games in Macau, as authorized by the Macau government.

Although under Macau law, there is currently no statutory definition of the kind of relationship that a subconcession entails between the Macau government, the concessionaire and the subconcessionaire, the Macau government has issued a clarifying letter that addresses the relationship between the Macau government, WRM and Melco Crown Gaming (Macau) Limited. The Macau government issued a letter on 4 September 2006 which approved the Melco Subconcession Agreement and another letter on 8 September 2006 which undertook obligations towards Melco Crown Gaming (Macau) Limited and exonerated WRM from any and all liabilities arising out of the Melco Subconcession Agreement. Each of WRM and Melco Crown Gaming (Macau) Limited has its own obligations towards the Macau government and neither is responsible for the compliance by the other of its own obligations. WRM is not liable in any way for, and will not suffer any consequences arising from, the lack of fulfillment of any of Melco Crown Gaming (Macau) Limited’s obligations or requirements under the Melco Subconcession Agreement, or from the latter’s actions or inactions.

Under the Melco Subconcession Agreement, Melco Crown Gaming (Macau) Limited holds a subconcession to operate casino games in casinos and other gaming areas as approved and authorized by the Macau Government from time to time; this subconcession expires in June 2022. Under the terms of the Melco Subconcession Agreement, Melco Crown Gaming (Macau) Limited is required to pay a special levy of 4% of its gross gaming revenue along with a fixed and variable portion of the gaming premium on the same terms as those specified in WRM’s Concession Agreement.