

INTERNAL CONTROLS AND ANTI-MONEY LAUNDERING

INTERNAL CONTROLS

VML has established internal control policies and procedures for the management of its casinos, gaming areas and other related operations. VML’s internal control system is designed to meet the internal control requirements issued by the DICJ set forth in DICJ Instruction 2/2006 on Anti-Money Laundering, any applicable laws and regulations in Macau as well as the requirements set forth in the Subconcession Contract between VML, Galaxy and the Macau Government. These include but are not limited to the following:

- table game management, such as table fills and credits, table opening and closing, gaming payouts, and safeguarding of cash and chips on tables, playing cards and dice;
- slot operations management, such as slot counts, slot ticket redemption, jackpot payout and monthly inventory count;
- cage and count management, such as drop box collection, counting procedures at all cashiers and treasury offices, and banking procedures;
- management of VML’s premium player programs and Gaming Promoters, such as commissions and allowances;
- fraud prevention, such as surveillance monitoring, fraud detection, key controls, internal audit and follow-up investigations;
- risk management, such as regular exception reviews, independent internal audit process and independent compliance committee review;
- financial closing and reporting; and
- anti-money laundering procedures, such as procedures on reporting large sum transactions and suspicious transactions; on-going monitoring of gaming-related currency transactions and operations by Gaming Promoters; and staff training. See “—Anti-Money Laundering.”

Table Game Management

VML has established internal control procedures which include, among other things, table fills and credits, pit marker reconciliation and transfer, chip purchase, voucher issuance, rolling of non-negotiable chips, table drop and table inventory, key controls, card and dice controls, and disposal of gaming assets. VML uses information technology systems such as Table Touch, a table games management system that helps us conduct several day-to-day pit operations, stores security photos, sets floor and game event alerts, produces reports, issues complimentary requests and accesses floor and player information, and Advanced Casino Systems Corporation system (“ACSC”), a casino information technology system that we license for purposes of managing slot monitoring, which provides an audit trail for accounting and player database management.

On a daily basis, staff from the DICJ inspect and monitor key processes, such as the issuance of chips, table fills and credits, drop box collections and the counting of cash and chips. The DICJ verifies revenues from table games on a daily basis.

Slot Operation Management

VML uses a cashless wagering system in its slot operations. Cashless wagering is a gaming system in which wagering can be conducted through use of a magnetic strip player card, which accesses a player’s account at the host system in the casino or gaming area. All slot machines operated by VML have been certified by independent test laboratories for compliance with regulatory requirements of Gaming Laboratories International’s Standard on Gaming Devices in Casinos (GLI 11) or other acceptable standard of the DICJ, to ensure all equipment operates within industry and manufacturer’s specifications and in accordance with regulatory requirements. VML has established internal control procedures to manage the slot wagering system and to cover slot drop and count, ticket

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redemption, jackpot pay-out, player tracking and slot audit procedures, among other procedures, to ensure the slot operations meet the internal control requirements of the DICJ.

DICJ on-site inspectors are involved in daily slot operations. The movement of slot machines, adoption of new slot games, modification to existing games as well as disposition of slot machines must be authorized by the DICJ in advance. When jackpot pay-outs exceed certain limits, DICJ inspectors are informed and witness the pay-out. Slot drop and count procedures are monitored by the DICJ in order to verify the accuracy of the revenue from slot operations. At the end of each month, all slot machines operated by VML are reconciled for revenue and accounting purposes in accordance with DICJ Instructions. The premiums payable per slot machine pursuant to VML's Subconcession Contract are then computed based upon this reconciliation and it is sent to the DICJ for verification and confirmation before final payment is issued.

Cage and Count Management

VML has adopted comprehensive controls over the cage and count operations, which cover, among other areas, chip inventory, cash count, slot ticket in/ticket out count, chip movement, daily revenue calculations and reconciliation with DICJ inspectors on daily revenues. VML's internal control procedures set out controls over these risk sensitive areas, particularly the controls over chips and the movement of chips. We closely monitor access to all sensitive areas such as cages, count rooms and vaults in compliance with clearly defined procedures set forth in our internal control system.

Internal Control Measures Relating to Chips

VML employs internal control measures on purchasing, receipt, storage, issuing, redemption of chips and destruction of chips. Also, VML has implemented the following internal control measures applicable to any cage where chips are stored:

- keys are kept in electronic key safes with restricted access;
- electronic security systems have been installed at all cages, including the use of biometric and badge scans at main entry points of the cage to prevent unauthorized access;
- cages are guarded by personnel from VML's security department to prevent unauthorized entry;
- surveillance cameras have been installed to monitor entry and exit at the cages;
- stock records for each cage are kept by VML's finance department and are reconciled on a monthly basis;
- personnel from VML's finance department conduct comprehensive physical counts of VML chips on a quarterly basis, together with representatives from the DICJ; and
- personnel from VML's finance department reconcile the movement of chips and cage inventory at VML on a per shift basis.

VML's internal audit department periodically inspects the cages and counts selected VML chip inventories on a non-scheduled basis. In addition, on a quarterly basis, representatives from the DICJ and VML's internal audit department would be present and observe the counting process conducted by personnel from VML's finance department. VML's internal audit department also conducts periodic gaming-related audits pursuant to an annual audit plan that is filed with the DICJ and that complies with DICJ requirements.

Cage and Vault Inventory

Cage and vault inventories are counted by two employees at the end of every shift if any activity has taken place. If no activity took place, this procedure is performed at least once daily. The count is recorded on a cage inventory form, which tracks the inventory of chips and is signed by both employees.

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All transactions that flow through the casino cage are reflected on a main bank accountability sheet, which is the balance sheet in which VML's finance department uses to balance chips, cash, foreign exchange, disbursements and other accountabilities at the end of each shift. The main bank accountability sheet must be supported by appropriate documentation which tracks any increases or decreases in the cage inventory. This documentation will indicate the date and shift, the purpose of the increase or decrease, the person(s) completing the transaction, and where there is a decrease, indicates the person or department receiving the cage funds.

The main bank accountability sheets and cage inventory forms are forwarded to VML's internal audit department on a daily basis and the changes to accountability are reflected in the accounting system through preparation of a daily general ledger journal entry.

Table Drop and Count Procedures

The table chip inventories are counted and table drop boxes are removed daily at the end of the 24-hour period when the gaming day ends. The table chip inventories are recorded in the Table Touch System by a pit boss who is independent of the table inventory count and verification process.

The contents of the drop boxes are counted daily by an independent count team. The count team is independent with respect to supervision and the transactions being reviewed and counted. For internal control purposes, members of the count team rotate job functions on a periodic basis. The room where funds are counted is secured with restricted access and surveillance coverage. DICJ inspectors witness and perform an independent reconciliation of count funds. After the daily count data is reconciled and agreed by the DICJ, it is uploaded into the ACSC using the software developed by our count equipment manufacturer. Once count data has been uploaded into the ACSC, no subsequent alteration is allowed.

All table drop boxes are sealed with seals provided by the DICJ. Any exceptions are reported immediately to the DICJ representative. An internal review of any procedural violations is immediately initiated with assistance from VML's surveillance department.

Slot Drop and Count Procedures

The collection and counting of slot machine funds (the "slot drop") is performed on days and times designated by the DICJ in writing but are performed at least bi-weekly. Prior to the slot drop, we must notify VML's surveillance department and the on-site DICJ inspector.

The count is performed in a count room with restricted access and surveillance coverage. The team which collects the funds from the slot machines is called the "drop team." The drop team is independent with respect to supervision and the transactions being reviewed, counted and recorded in VML's accounting system. The team that counts the funds (the "count team") consists of at least three individuals. The count team members are rotated so that the count team does not consist of the same three individuals on more than four days per week. Each member of the count team is independent with respect to supervision and the transactions being reviewed and counted.

DICJ inspectors monitor the count process until the proceeds are accepted in the cage/vault accounting system.

The currency count interface is restricted from unauthorized access via password protection. The currency counters and interface are tested (all types of wagering instruments that are counted in the count rooms are tested) by VML's internal audit department at least quarterly. These tests are performed on an unannounced basis and results are documented and retained.

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Management of Premium Player Programs and Gaming Promoters

VML has offered incentive programs to both premium players and Gaming Promoters using the rolling of non-negotiable chips as the basis for commissions, complimentary allowances and other incentives. All incentive programs are managed and monitored by various departments such as marketing, gaming, finance, surveillance and compliance to ensure that all programs are carried out according to VML's established procedures and controls.

All incentive programs must be approved by senior management and documented in writing with standard terms and conditions. Settlement of the programs must be executed according to the timeline set forth within programs and related settlement procedures. Withholding taxes are withheld from the Gaming Promoter program settlements as required by the DICJ.

Gaming Promoters who wish to participate in VML's incentive programs must be licensed by the DICJ in advance. Employees of the Gaming Promoters operating within VML properties must be properly identified and display a badge. Key employees and collaborators of the licensed Gaming Promoters must be registered with the DICJ. VML's compliance department maintains a register to capture information on Gaming Promoters, including responsible persons, commission schemes, license numbers as well as quarterly updated lists of all employees and collaborators of the licensed Gaming Promoters for government filing and internal record purposes.

In addition to the initial licensing review conducted by VML's compliance department, all licensed Gaming Promoters are subject to on-going review and monitoring. A recheck of the backgrounds of all Gaming Promoters' shareholders holding no less than a 5.0% interest in the Gaming Promoter's company as well as their directors is conducted once every two years according to the VML's internal procedures. For details on the measures undertaken by VML to prevent breaches of its obligations as a Subconcessionaire and to prevent misconduct by Gaming Promoters, see "—Anti-Money Laundering—Regulatory Regime—Anti-Money Laundering Controls."

Fraud Prevention and Detection

VML has implemented a system designed to detect cheating and fraud scams in table and slot games, which includes a comprehensive surveillance system and experienced surveillance monitoring and security enforcement teams. Prevention and investigation of fraud and cheating in VML's casino and gaming areas is primarily carried out by the gaming operations department with the cooperation of the finance, security and surveillance departments. VML's surveillance department operates independently from all other operational departments to ensure integrity of operations and compliance with operational policies and procedures.

In addition, VML employs what it believes to be "state-of-the-art" technology and techniques in its gaming facilities to prevent and detect potential fraud, cheating or counterfeiting activities. These methods include the use of cards and chips with embedded authentication features such as holograms in chips and barcodes on cards, infrared readers, money note scanners, electronic card readers and a 24-hour closed circuit television ("CCTV") surveillance system. All gaming equipment inventory and card sorting and storage are under 24-hour CCTV surveillance. The majority of the playing cards are pre-shuffled by the manufacturer and properly secured in VML's playing-card room and a log book is kept for the issuance and receipt of playing cards to and from the casino or gaming areas. In addition, all VIP room gaming tables are equipped with dealing shoes that not only assist in preventing cheating but also interface with the CCTV system as well.

Staff of the table games division of VML's gaming operations department and surveillance department are also trained in gaming protection techniques. VML's table games division and surveillance department conduct reviews and checks on gaming equipment independent of VML's internal audit department to help ensure that game integrity has not been compromised and to help prevent collusion.

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In addition, VML's surveillance department monitors large betting activities or any irregular activity reported by the gaming operations or security department. VML's surveillance department monitors all activities in the casino or gaming areas through the use of a CCTV network of security cameras placed throughout the casino or gaming areas. Whenever there is a table loss of a certain value, close-up and enlarged images of the table activities are reviewed to detect any potential cheating. VML's surveillance department scrutinizes any losses by reviewing gaming equipment, gaming activities and/or patrons and personnel involved. High resolution video images of the gaming activities recorded are typically archived for a period of no less than seven days. In more sensitive areas such as the cages, images are archived for longer periods.

VML's dealers, supervisors, cashiers, cash and chip counters, security, count, and surveillance personnel are subject to a rotation plan in order to mitigate the risk of wrongdoing resulting from collusion.

Access to all sensitive areas such as count rooms, inventory store rooms, and cages is safeguarded with the use of physical access controls, including staff identification cards, biometrics, passwords, keys, double-layered doors and security guards. Access to the gaming systems such as ACSC and Table Touch is also controlled and managed. Only authorized team members are allowed access to the gaming systems in performing their daily tasks. Access to customer deposit accounts which are dormant for more than 60 days would require the cage shift manager's override before access is allowed. Daily delivery of all gaming table drop boxes to VML count rooms are also escorted by VML's security officers or other personnel, while under the independent scrutiny of VML's surveillance department.

VML also works closely with officers of the Judiciary Police of the MSAR, which are stationed 24-hours at VML's casino or gaming areas. If a member of VML's staff identifies suspicious activity which may constitute a crime, VML's security department must report such activity to the stationed officers for further investigation, regardless of whether the victim wishes to pursue a case. In addition, VML's security department conducts daily joint sweeps of the gaming floor to ensure that Macau Government blacklisted persons, money launderers, terrorists and other sanctioned individuals are not present in the casino or gaming areas.

Procedures for Extension of Credit

VML extends credit based on an evaluation of all available personal, business and gaming information relating to a gaming patron or Gaming Promoter. Regardless of the country of origin, VML will conduct background checks and searches on all credit applicants with respect to gaming history, bank reference information, and criminal background. VML also conducts searches on databases of relevant jurisdictions and Internet news and public records.

In addition to the above measures, VML also requires a personal cheque from each credit player as a collateral form of advance payment. This policy has been used effectively as a collection vehicle and as proof of the gaming patron's intention to honor the gaming debt.

Risk Management Processes

Regular Exception Review

All exceptions or variances from the internal control procedures or the standard operating procedures in all operating areas such as table games, slots and cages as well as non-gaming outlet cashiers, including cash variances, are documented as exceptions and discussed at least bi-monthly at a meeting involving department heads responsible for these respective areas. Corrective or follow-up actions are documented for future trend analysis and for internal records.

Independent Auditing Process

VML employs a team of internal auditors to perform gaming regulatory, operational and financial audits on a regular basis, which includes audits of the internal control systems. VML's internal audit

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department conducts its audits pursuant to an annual audit plan that covers gaming and non-gaming-related areas of VML's business. The audit plan is developed based on (i) regulatory requirements of the DICJ and other regulatory requirements; and (ii) a formal company-wide risk assessment that identifies areas of material risk to VML's operations. The department also audits VML's network of risk management, control, and governance processes for their adequacy. As of the Latest Practicable Date, there were 19 internal auditors in VML's internal audit department.

Independent Compliance Committee Review

VML's compliance committee was formed in 2003. It consists of representatives from the legal, compliance, finance, gaming operations, surveillance, security, investigation and internal audit departments. The committee meets once a quarter or upon special request, including by a member of the compliance committee or senior management, to review all material compliance related matters since the last meeting. The compliance committee provides resolutions or recommendations on material control or compliance-related matters.

Independent Reporting Hotline

VML has an ethics reporting hotline which is administered by an outside independent party located in Portland, Oregon, U.S.A. The hotline is designed to provide a reporting channel for employees within VML to report any ethical or legal concerns such as suspected accounting fraud, unethical behavior, violations of VML's policies and/or violations of laws and regulations. Reported matters are fully reviewed and investigated by VML and a summary of the reported matters is reported to VML's compliance committee at least once a quarter. Material matters must also be reported to the audit committee.

Crime Insurance Coverage

Under the LVS Group Crime Protection Policy, VML has a coverage limit of US\$10.0 million per occurrence and a deductible of US\$0.1 million for each claim. The policy insures against employee dishonesty, forgery or alteration of cheques and other banking instruments, computer and fund transfer fraud, unpaid money orders and counterfeit paper currency, loss of money and securities, including chips, inside our premises or banking premises and outside these premises so long as under the custody of a messenger or armored motor vehicle company.

Other Risk Management Tools

VML has a defined Approval and Authorization Policy for expenditures. Under the policy, proper approval of all purchase orders must be obtained and, for projects that exceed certain thresholds, VML must follow tendering procedures when selecting vendors and service providers. With the exception of purchase orders for the purchase of goods with standard terms and conditions that have previously been approved, all contracts are reviewed by our legal department.

VML's key departments have job description manuals in which roles and responsibilities are clearly specified and communicated. Employee handbooks as well as VML's Code of Conduct and other important corporate governance policies are issued to all new recruits upon commencement of work within VML. Staff working in gaming-related areas are required to attend specific pre-job training programs provided by the gaming operations department and complete anti-money laundering live training prior to commencing work. A performance evaluation system has also been put in place for staff evaluation, feedback and performance improvement purposes.

The conclusion in PwC Ltd's report on the limited assurance engagement on our Company's anti-money laundering internal control system states, "Based on [PwC Ltd.'s] limited assurance engagement, nothing has come to [PwC Ltd.'s] attention that causes [PwC Ltd.] to believe that our Company's anti-money laundering control procedures do not comply, in all material respects, with anti-

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money laundering statutes and guidelines for the period from July 1, 2007 to June 30, 2009." See "Summary of the Review of Anti-Money Laundering Procedures, Systems and Controls" in Appendix V to this document for a full copy of this report. See also "Risk Factors—Risks Relating to Our On-going Operations—We may be unable to maintain effective internal controls, which could have a material adverse effect on our business, financial condition, results of operations and cash flows," and "Risk Factors—Risks Relating to Our On-going Operations—We may not be able to prevent the occurrence of money laundering activities at our casino or gaming areas in spite of our anti-money laundering policies and compliance with applicable anti-money laundering laws." VML is also implementing additional measures and procedures to continue to enhance its anti-money laundering internal control system.

Financial Closing and Reporting

VML has developed a comprehensive set of policies and procedures for its financial closing and reporting process. This covers accounts preparation, recording, reconciliations and reporting. Monthly and quarterly financial reports are prepared by VML's finance department and reviewed by VML's senior management. VML is also required to provide periodic reports to the DICJ which include, but are not limited to: (i) quarterly trial balances; (ii) quarterly cash count reports; (iii) quarterly bank account reconciliations; (iv) annual lists of fixed assets; (v) audited annual consolidated and unconsolidated financial statements; and (vi) monthly gaming tax payment schedules. The DICJ also performs periodic site audits and obtains third party confirmations relating to VML, including those from VML's banks.

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Regulatory Regime

VML has complied with all of its material obligations under the relevant laws and regulations as required by the Subconcession Contract as well as all relevant laws and regulations relating to anti-money laundering. For Macau's regulatory regime on anti-money laundering measures that are applicable to VML, see "Regulation—Anti-Money Laundering Regulations."

Anti-Money Laundering Controls

VML has put in place controls designed to detect and prevent money laundering in casino or gaming operations and, in May 2004, established an anti-money laundering compliance team.

Whenever there are changes in the anti-money laundering laws and regulations, the compliance department, along with other operational departments, updates VML's policies and procedures accordingly. Any new legal and regulatory changes are communicated to VML by the DICJ in the form of DICJ Instructions. VML will meet and discuss with the DICJ any unclear issues in the DICJ Instruction so as to attain a common understanding and interpretation of the regulatory requirements. The DICJ's approval of VML's anti-money laundering policies and procedures is only required at the time of its initial adoption. Subsequently, with respect to minor revisions, it is sufficient to notify the DICJ on an annual basis for information and recording purposes. However, if there are any major changes in the relevant laws and regulations, such as when a new DICJ Instruction is issued, VML is required to substantially amend its anti-money laundering policies and procedures and to submit the revised version to the DICJ for approval.

On November 13, 2006, the DICJ issued a guideline concerning anti-money laundering measures and anti-terrorism measures, which was in line with the 40 recommendations and nine special recommendations of the FATF. The guideline requires reporting of certain gaming transactions equal to or exceeding HK\$/MOP500,000 or their equivalents in other currencies to the DICJ, and all suspicious activities, to the Gabinete de Informação Financeira (the Financial Intelligence Office hereinafter referred to as "GIF"). For further details, see "Regulation—Anti-Money Laundering Regulations."

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After a series of discussions with the DICJ, VML revised its anti-money laundering policies and submitted the revised policies to the DICJ in August 2007, and subsequently obtained approval of such policies from the DICJ. The revised policies cover the following additional reporting requirements, which VML had implemented since November 2006:

- gaming operations department staff members and cage staff members are required to fill out a Large Sum Transaction Report (hereinafter referred to as "ROVE") for any single or aggregated transactions of a single gaming patron for an amount equal to or exceeding HK\$/MOP500,000 (a "large sum transaction");
- gaming operations department staff members are required to fill out a ROVE for VML when issuing any winning cheque or jackpot pay out to a single gaming patron for an amount equal to or exceeding HK\$/MOP500,000; VML submits special ROVEs for Gaming Promoter-related transactions and for premium player transactions.
- cage staff are required to fill out a ROVE for any gaming patron or Gaming Promoter who purchases cash chips or promotional chips using cash or exchanges cash chips for cash in an amount equal to or exceeding HK\$/MOP500,000;
- cage staff are required to record and report all non-cash large sum transactions, including money wires, bank drafts and other bank transfers; and
- VML's Gaming Promoters are required to report large sum transactions within their operations by filling out a ROVE form and submitting it to VML every 15 days.

All ROVEs, together with the supporting documents, will be submitted to the compliance department which will consolidate and prepare a ROVE summary every 15 days and submit it to the DICJ. All ROVEs and their supporting documents must be kept by VML for five years.

VML continuously updates its anti-money laundering policies in order to ensure full compliance with any relevant new laws, administrative regulations, guidelines and DICJ Instructions. Various departments and functional groups are involved in and contribute to ensuring compliance with anti-money laundering policies including legal, finance, human resources, gaming operations, international marketing, marketing, surveillance, security and internal audit departments. The personnel in VML's compliance department are required to keep abreast of anti-money laundering regulations by closely monitoring any new guideline issued by the DICJ concerning anti-money laundering measures and discussing with the DICJ, if necessary. During the Track Record Period and as of the Latest Practicable Date, we believe that our Group is in full compliance with all anti-money laundering regulations applicable to VML and has not received any notification from the Macau Government for any material non-compliance with such regulations.

VML's anti-money laundering policies require:

- full compliance with all anti-money laundering legal and regulatory requirements in the MSAR, including but not limited to filing ROVE summaries with the DICJ and filing reports of any suspicious transactions to the GIF;
- regular assessment of the risks of money laundering in VML's operations and indicators of suspicious activity;
- a system of procedures and controls designed to detect and report suspicious activities in gaming operations through cage, gaming operations, security, surveillance and compliance departments;
- background due diligence through our automatic screen system as well as other search engines and databases such as WorldCheck and LexisNexis, in which, among others, suspicious activities are identified, and further diligence is conducted to identify suspected violators, Macau Government blacklisted persons, money launderers, terrorists and other sanctioned individuals and organizations;

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- strict controls over the issuance of cheques requiring identification of patrons, verification of winnings and background checks for anti-money laundering purposes;
- a system to monitor the activities of VML's Gaming Promoters, on an on-going basis, for potential money laundering activities, and to report any detected suspicious activity on the part of VML's Gaming Promoters to the GIF;
- VML's compliance department to compile and analyze all relevant anti-money laundering reports and data and to fulfill regulatory obligations;
- comprehensive training of all relevant staff prior to the commencement of their work and on an annual basis thereafter, concerning VML's anti-money laundering mission, policy, procedures and controls and job-specific information to help identify indicators of suspicious activity;
- an annual review regarding implementation and effectiveness of the anti-money laundering compliance program conducted by VML's compliance department and other operational departments; and
- at least four times a year, audits of the anti-money laundering compliance program by VML's internal audit department to identify any potential deficiencies in the program.

The key safeguards in VML's anti-money laundering policies include the following:

- reporting large sum transactions in gaming operations to the DICJ and detecting and reporting any suspicious activities identified in the process. This process includes:
 - logging single transactions that are equal to or exceed MOP200,000 on the Multiple Transaction Form ("MTL") if conducted by a single patron within a defined gaming day;
 - reporting to the DICJ any single or aggregated large sum transactions. The patron conducting the transaction(s) must produce valid official government-issued identification, such as a passport or identification card as well as other required information, including occupation, source of funds and agent-principal relationship for recording and reporting purposes.
 - pre-job training of staff to log transactions on MTLs and ROVEs as well as to detect indicators of suspicious activity, regardless of transaction size, appropriate to their job function and to report suspicious activity;
 - training of dealers, supervisors, pit bosses, attendants and casino or gaming area shift managers in the tables games division to identify reportable large sum transactions and to detect any suspicious activity in the conduct of gaming by players.
 - recording and record keeping of MTL and ROVE transactions from each gaming monitoring area and reporting of any suspicious activity identified;
 - risk-sensitive record keeping and identification requirements for patrons purchasing or selling chips and any money transfers or related transactions as well as reporting of any suspicious activity related to cage transactions;
 - the foreign exchange desks within the cages of VML's casino or gaming areas are subject to the anti-money laundering requirements and independent supervision of the Macau Monetary Authority. This includes additional due diligence measures applicable for high risk transactions involving currency exchanges equal to or exceeding HK\$/MOP250,000 or equivalent in any other currencies;
 - monitoring and reporting of suspicious activity conducted by VIP, premium and mass market players in conjunction with monitoring by the security and surveillance departments; and
 - conducting background screening of all employees within VML.

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- additional controls over the issuance of cheques, wire transfers and other related money transactions apply if a patron requests a check or wire transfer in lieu of cash including:
 - submission by the patron of valid, official government-issued identification, such as a passport or identification card
 - gaming operations department staff then verify via the ACSC system or via gaming pits whether the funds deposited for cheque(s) or wire(s) are winnings from gaming activities within the VML casino or gaming area or solely for the return of front money previously deposited by a patron but for which less than 75.0% has been put at risk for gaming purposes;
 - an automatic screening via the computer system against databases consisting of Macau Government-blacklisted persons, known criminals, the United Nations terrorist list, known money launderers, undesirable individuals and other sanctioned individuals and organizations;
 - employment of profiling techniques and player rating systems to track the patron's activities and verify the existence of any winning records by the respective patron; and
 - rejection of the patron's request for a cheque or wire and the filing of a suspicious transaction report to the GIF, if any of the above conditions cannot be fulfilled.
- in addition, VML's compliance department is responsible for on-going monitoring of its Gaming Promoters for the avoidance of money laundering activities. Key safeguards include, without limitation:
 - conducting internal background checks and compliance reviews on Gaming Promoters prior to engaging in a contract with any Gaming Promoter and submitting an application to the DICJ for such Gaming Promoter's licensing;
 - Gaming Promoters must have obtained a Gaming Promoter license from the DICJ, the application of which involves a comprehensive vetting process;
 - Gaming Promoters must have entered into Gaming Promoter agreements with VML, prior to the commencement of business;
 - once every two years, our internal Investigation Department rechecks the background of our Gaming Promoters; part of the re-check procedures will require our internal Investigation Department to make queries with relevant operational departments for any observed misconduct or concerns regarding Gaming Promoters;
 - on-going training to Gaming Promoters relating to anti-money laundering reporting and retention of supporting documents;
 - issuance of badges to all Gaming Promoter employees working within our Group's properties;
 - credit checks and related business due diligence on Gaming Promoter directors and/or guarantors prior to the issuance of casino credit to any Gaming Promoter;
 - on-going surveillance of Gaming Promoter employees, players and our employees working within VIP rooms; the monitoring measures include detailed analysis of tables which have lost more than HK\$5.0 million in a single day, periodic checks on equipment such as dealing shoes and cards used by Gaming Promoter players, monitoring of Gaming Promoter rolling and high risk play, reports of any unacceptable behavior within VIP rooms, implementing internal bars, or submission to the DICJ for barring, of Gaming Promoter players or employees identified as being involved in illegal or undesirable behavior and assignment of dedicated staff to each shift to specifically monitor Gaming Promoter play;
 - requiring Gaming Promoter applicants to review and sign an affidavit confirming that they will comply with the requirements of the FCPA;

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- VML provides Gaming Promoters with compliance letters, checklists and instructions upon commencement of operations, requiring them to:
 - comply with all applicable laws and regulations in Macau;
 - to diligently carry out their duties and the obligations imposed by the DICJ under DICJ Instruction 2/2006 and other anti-money laundering responsibilities;
 - comply with VML's general directives and internal control measures;
 - promptly inform VML and the competent entities, including the DICJ and the GIF, of any suspected money laundering activities by their collaborators, employees or players;
 - cooperate with VML as well as Macau Government agents or auditors on record production and information sharing if required to fulfill their anti-money laundering compliance obligations;
 - identify their players and obtain necessary identification and personal information in order to complete ROVEs as required by DICJ Instruction 2/2006
 - analysis of known connections and associations of VML's Gaming Promoters and their VIP players and performance of background checks against databases of Macau Government-blacklisted persons, terrorists, undesirable individuals, organizations and related persons;
 - review of suspicious transaction reports and other related incident reports, including but not limited to transactions relating to the VIP rooms, Gaming Promoter chip purchases, cheque requisition activities and other money transfers;
 - issuing cheque(s) to VML's Gaming Promoters only to registered names and only after verifying winnings from legitimate gaming activities or from verified commission payments as well as recording and verifying VML's Gaming Promoters' personal data and issuing cheques/wires to patrons based only on verified winnings by that particular patron as reflected by the individual rating in the player rating system; and
 - upon detecting suspicious activity by VML's Gaming Promoters, ensuring appropriate follow up action, including requests for related information, enhanced monitoring, restrictions on business activity and, under severe circumstances, cessation of the business relationship.

VML has also consistently put in place internal controls and procedures in relation to its gaming operations in all its casino or gaming areas since the commencement of its Subconcession. In addition, with respect to compliance with anti-money laundering laws and regulations in Hong Kong, we confirm that, to the best of our knowledge after due enquiry, no member of our Group was in violation of the Drug Trafficking (Recovery of Proceeds) Ordinance, the United Nations (Anti-Terrorism Measures) Ordinance and OSCO during the Track Record Period and as of the Latest Practicable Date. VML confirms that there are no actions or lawsuits by any government agency against it in relation to money laundering activities. For the legal concerns presented by OSCO, see "Regulation—Regulations relating to Hong Kong—OSCO."