

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

For the purpose of this section, LVS (through Las Vegas Sands, LLC, Venetian Casino Resort, LLC, LVS (Nevada) International Holdings Inc., LVS Dutch Finance CV, LVS Dutch Holding BV, LVS Dutch Intermediate Holding BV, VVDI (I) and VVDI (II)) is a Controlling Shareholder of our Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [●] and the mandatory and automatic exchange of the Bonds for Shares, LVS (through Las Vegas Sands, LLC, Venetian Casino Resort, LLC, LVS (Nevada) International Holdings Inc., LVS Dutch Finance CV, LVS Dutch Holding BV, LVS Dutch Intermediate Holding BV, VVDI (I) and VVDI (II)) will be indirectly interested in approximately [●]% of our then issued share capital (if the [●] is not exercised) or approximately [●]% of our then issued share capital (if the [●] is exercised in full) and will be our Controlling Shareholder.

Our Business

We are the leading developer, owner and operator of integrated resorts and casinos in Macau as measured by EBITDA for the year ended December 31, 2008 and the six months ended June 30, 2009.⁽¹⁾ VML, our subsidiary, holds one of six concessions or subconcessions permitted by the Macau Government to operate casinos or gaming areas in Macau. We own The Venetian Macao, the Sands Macao, and the Plaza, which contains, amongst others, the Paiza mansions, the Plaza Casino, the Four Seasons Hotel and the Shoppes at Four Seasons. We also own one of the largest convention and exhibition halls in Asia, Macau's largest entertainment venue, The CotaiArena™, and one of three major high speed ferry companies operating between Hong Kong and Macau.

Our business strategy is to develop Cotai and to leverage our integrated resort business model to create Asia's premier gaming, leisure and convention destination. Our ultimate plans for Cotai include five interconnected integrated resorts, which leverage a wide range of branded hotel and resort offerings to different segments of the market. When complete, we expect our combined Cotai Strip developments to contain over 20,000 hotel rooms, approximately 1.6 million square feet of MICE space, over 2.0 million square feet of retail malls, six theaters and other amenities.

LVS Group's Business

The LVS Group (together with our Group) owns and operates, in addition to our properties in Macau mentioned above, The Venetian Resort Hotel Casino ("The Venetian Las Vegas"), The Palazzo Resort Hotel Casino ("The Palazzo") and The Sands Expo and Convention Center (the "Sands Expo Center") in Las Vegas, Nevada and Sands Casino Resort Bethlehem (the "Sands Bethlehem") in Bethlehem, Pennsylvania. In addition, the LVS Group is developing Marina Bay Sands, an integrated resort in Singapore. The principal members of the LVS Group are set out below:

- Las Vegas Sands Corp.—Listed on the New York Stock Exchange
- Las Vegas Sands, LLC—Casino operator at The Venetian Las Vegas and The Palazzo
- Venetian Casino Resort, LLC—Owner of The Venetian Las Vegas and The Palazzo
- Interface Group-Nevada, Inc—Owner of the Sands Expo Center
- Marina Bay Sands Pte. Ltd.—Owner and Developer of the Marina Bay Sands
- Sands Bethworks Gaming, LLC and Sands Bethworks Gaming, LLC—Owner of the Sands Bethlehem

The current directors of LVS are Mr. Sheldon G. Adelson, Mr. Michael A. Leven, Mr. Jason N. Ader, Mr. Irwin Chafetz, Mr. Charles D. Forman, Mr. George P. Koo, Mr. Jeffrey H. Schwartz and Mr. Irwin A. Siegel. As our Group currently intends to focus its operations in mainland China, Macau, Hong Kong and Taiwan (and their respective territorial seas) (the "Restricted Zone") only, the Directors

⁽¹⁾ Based on publicly available information, including company financial reports.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

are of the view that the LVS Group's business outside the Restricted Zone is not in direct competition with that of our Group.

Transactions with LVS

We have entered into a number of transactions with LVS as a result of the on-going relationship between our Group and LVS and companies directly or indirectly owned or controlled by it from time to time (excluding companies within our Group). Upon [●] and for so long as LVS is a substantial shareholder of our Company, transactions between members of our Group and LVS and its associates (excluding companies within our Group) will constitute connected transactions of our Company under the Listing Rules. Details of these transactions are set out in "Connected Transactions."

INDEPENDENCE FROM THE LVS GROUP

Having considered all relevant factors, we are satisfied that we can conduct our business independently of the LVS Group after [●]:

Independence of our Board and our Senior Management and Senior Management of the LVS Group

Our Board consists of a total of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors.

For the following reasons, our Directors are of the view that we are able to operate independently from the LVS Group notwithstanding that our three non-executive Directors are also directors of LVS:

- (i) the decision-making mechanism of our Board set out in our Articles of Association provides that, in the event of a conflict of interest or duty, all Directors with a conflicting interest shall absent themselves from that meeting, or part of that meeting, and abstain from voting when a conflicted resolution is to be discussed and voted on;
- (ii) our day-to-day operations are managed by our senior management team, and all non-Board members of our senior management are independent from the LVS Group; and
- (iii) our Board has three independent non-executive Directors with extensive corporate governance and financial experience to serve as independent non-executive Directors of our Company, and to review, enhance and implement measures to manage any conflict of interests between the LVS Group and our Group in order to protect minority shareholders' interests. Our independent non-executive Directors must approve any resolution relating to connected transactions.

Based on the above, our Board is satisfied that our Board as a whole, together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We have full control over our assets to continue our Casino Gaming Business (as defined below) independently of the LVS Group.

Our Directors and senior management are responsible for the conduct of our business. We have established our own organization structure made up of functional departments, each with specific areas of responsibility. We have also established a set of internal controls to facilitate the effective operation of our business. Transactions with members of the LVS Group are governed by agreements entered into in the ordinary course of our business and on terms which we believe are fair and reasonable. These transactions with the LVS Group have in the past included the provision of global procurement consultancy services, transportation and related logistics services and administrative

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

services provided by the LVS Group to our Group and vice versa. In the event that the LVS Group is unable to provide these services upon reasonable terms, we are entitled to choose a third party who can provide such products or services upon comparable terms. More details on these transactions are set out in "Connected Transactions." As such, our Board is satisfied that we have been operating independently from the LVS Group during the Track Record Period and thereafter will carry on doing so.

Financial Independence

Our financial auditing system is independent from the LVS Group and employs a sufficient number of dedicated financial accounting personnel responsible for financial auditing of our accounts. We have independent bank accounts and independent tax registration.

Save for certain limited treasury functions (including overseeing the development and implementation of policies and procedures, assisting in the structuring of bank accounts and bank relationship management) and the sharing of treasury systems/software, our treasury operations are handled by our treasury department which operates independently from the LVS Group and shares no other functions or resources with any member of the LVS Group. The functions of our treasury department include financing, treasury and cash management.

Our choice of financial institutions is mainly based on the credit standing of the institutions and the terms offered by them.

Currently, payables and notes payable to related companies mainly consist of shareholders' advances or loans related to the funding of construction for Parcels 5 and 6, working capital for our ferry operations and other ancillary operations. All such outstanding intercompany shareholders' loans and intercompany payables to the LVS Group will be settled upon closing of [●]. Upon receipt of the net proceeds from [●], approximately HK\$[●] will be on-lent by our Company to our subsidiary, Venetian Orient Limited through a shareholder's loan. Venetian Orient Limited will then each repay in full all shareholders' loans and intercompany payables it owes to the relevant lenders within the LVS Group. Concurrent with the completion of [●], our obligations under the shareholder's loan from VVDI (II) will be satisfied by our Company through issuance of Shares directly to the Bondholders in connection with the mandatory and automatic exchange of the Bonds for Shares. Immediately upon the completion of [●], we will not have any shareholders' loans or intercompany payables owed to the LVS Group, other than nominal intercompany trade payables to related companies with respect to certain services provided by such related companies in the ordinary course of business prior to [●] during the month of November of the types contemplated by the Shared Services Agreement [●], which amounts can only be finalized and determined after the month end close for November 2009. These nominal intercompany trade payables will be repaid after determination within 30-45 days after the end of the month and would not affect our financial independence.

As of the Latest Practicable Date, the LVS Group has not provided any security and/or guarantee on our Group's borrowings.

Based on the above, our Directors believe that we are able to maintain financial independence from the LVS Group.

NON-COMPETITION DEED

We have entered into the Non-Competition Deed with LVS on [●], 2009 so as to maintain a clear delineation of the respective businesses of each party with effect from [●], and to formalize the principles for management of potential conflicts between them, so as to permit a proper assessment of the extent of competition arising for our Company as a result of LVS carrying on its businesses, and to enhance the corporate governance of our Company in connection with [●].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Pursuant to the Non-Competition Deed, LVS has undertaken to us that it shall not, and shall procure that each of its associates (see definition of "associates" below as used in reference to the Non-Competition Deed) shall not, solely or jointly, without our prior written consent (based on an affirmative vote of a majority of the members of an independent committee of our Board comprising of the then-serving independent non-executive Directors (the "Independent Board Committee") who do not have, and are not deemed to have, a material interest in the relevant matter ("our prior written consent")), (i) hold and/or be interested, either directly or indirectly, in any shares or other securities or interest in any company or other business entity (such shares or other securities or interest hereinafter referred to as "Interest"), which engages or is involved in, directly or indirectly, any Casino Gaming Business (as defined below) in the Restricted Zone; or (ii) otherwise, directly or indirectly, engage or be involved or participate or invest in, or provide other support, financial or otherwise, to, (such engagement, involvement, participation or provision of support hereinafter referred to as "Involvement") any Casino Gaming Business in the Restricted Zone.

For the purposes of the Non-Competition Deed (and the Second Trademark Sub-License Agreement), "Casino Gaming Business" means the design, development, construction, ownership, management and/or operation of casinos or gaming areas (including those casinos or gaming areas which form part of a hotel or an integrated resort) and other similar facilities in which customers are able to gamble by playing games of fortune or chance or other similar games, including, but not limited to, (a) any facilities offering VIP rooms or Gaming Promoter-operated gaming rooms, mass market gaming floors, slot machine operations, or other designated areas where games of fortune or chance are operated or played; (b) any vessels offering on-board casinos or gaming areas which are moored on or traversing over, and any facilities which are built over or which are shore-based but jut out over, any rivers, streams or inland waters, or any estuarine, coastal, marine or other waters comprised in any relevant territorial seas; (c) any facilities offering football pools, sports lotteries and other forms of wagering based on the outcome of sports events, including sports books and other book-making operations; and (d) any facilities directly associated with or ancillary or complementary to the operation of any of the facilities described in paragraphs (a) to (c), including, but not limited to, associated or ancillary or complementary hotels, and integrated resorts, conference, convention, trade show and exhibition facilities, restaurants, bars, food courts, retail outlets, shopping malls, clubs, theaters and other entertainment or sporting facilities, sea, air or land-based transportation operations and piers, wharves and docks.

Notwithstanding the above, it has been agreed that LVS and/or any of its associates may:

- (1) hold and/or be interested, directly or indirectly, in any shares or other securities or interest in our Company, or through our Company, in any shares or other securities or interest in any other member of our Group;
- (2) perform or receive any of the benefits provided under (i) the First Trademark License Agreement; (ii) the Second Trademark Sub-License Agreement; (iii) the Shared Services Agreement; and (iv) such other similar on-going agreements or any amendments thereto which may be entered into between any member of our Group and any member of the LVS Group from time to time;
- (3) hold and/or be interested, directly or indirectly, in any shares or other securities or interest in any company which engages or is involved in, directly or indirectly, any Casino Gaming Business in the Restricted Zone, if (i) such company is [●]; (ii) such shares or securities do not exceed 5.0% of such company's issued and outstanding share capital; (iii) LVS and/or any of its associates are not entitled to appoint a majority of the directors of such company; and (iv) such company shall at all relevant times have at least one other shareholder which (together, where appropriate, with its associates) holds and/or is interested, directly or indirectly, in a larger percentage of shares and securities or other interests in such company than LVS and/or any of its associates and which does not act in concert with LVS and/or its associates in relation to its shares and securities or other interests in such company; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (4) hold any Interest in any Casino Gaming Business in the Restricted Zone if the Directors have resolved either that our Group has elected not to hold any Interest or have any Involvement in such Casino Gaming Business in the Restricted Zone, provided that the Independent Board Committee has determined that it is nevertheless in the best interests of our Company and our Shareholders as a whole that (i) LVS and/or any of its associates should be permitted to do so or (ii) our Company enter into a joint venture or other similar alliance or structure with LVS and/or any of its associates in relation to such Casino Gaming Business.

Pursuant to the Non-Competition Deed, LVS has also undertaken to us that it shall not, and shall procure that each of its associates shall not, without our prior written consent, hold any Interest or have any Involvement in any Non-Competing Gaming Business in the Restricted Zone. For the purposes of the Non-Competition Deed, "Non-Competing Gaming Business" means the design, development, construction, ownership, management and/or operation of facilities for the purpose of carrying on gaming businesses other than any Casino Gaming Business, including, but not limited to, horse racing, greyhound racing, jai alai betting and other forms of pari mutuel betting, Chinese lottery and instant lottery. The provisions in (3) and (4) above shall apply with due modifications being made such that references to Casino Gaming Business shall be changed to the Non-Competing Gaming Business.

The Non-Competition Deed does not prevent LVS and/or any of its associates from holding any Interest or having any Involvement in any Casino Gaming Business or Non-Competing Gaming Business outside of the Restricted Zone, or the carrying on of any Permitted LVS Greater China Business. For the purposes of the Non-Competition Deed, "Permitted LVS Greater China Business" means all acts and things done by LVS or any associate of LVS (a) in relation to the ownership and operation of and other dealing with the Adelson Center for U.S. - China Enterprise located in Beijing, China by LVS or any associate of LVS; and/or (b) pursuant to the terms of the entrustment and sponsorship agreements entered into by Venetian (Zhuhai Hengqin) Hotel Co., Ltd in relation to the Shaanxi Topsun Sports Club Basketball Team. The Adelson Center for U.S. - China Enterprise is a non-profit organization assisting small- and mid-sized U.S. companies seeking to enter the China market, and helping improve U.S. - China economic relations. The entrustment and sponsorship agreements in relation to the Shaanxi Topsun Sports Club Basketball Team were made as part of the overall promotional strategy of the LVS Group in China, to build brand recognition. Neither of these entities or arrangements is related to nor are in competition, or will have any potential competition, with the business of our Company. As such, our Company and LVS have not identified any business reason to inject them into our Group or include them in the Non-Competition Deed.

Pursuant to the Non-Competition Deed, LVS has undertaken that if it or any of its associates becomes aware of any business opportunity relating to any Casino Gaming Business in the Restricted Zone, it shall use commercially reasonable efforts to notify us of such business opportunity as soon as practicable after it or such associate becomes aware of it and to assist our Company its pursuing such business opportunity. To the extent that such business opportunity relating to any Casino Gaming Business in the Restricted Zone is being made available by a third party to LVS and/or any of its associates, LVS shall use commercially reasonable efforts to procure that such business opportunity is first offered to us or (as the case may be) another member of our Group on such terms and conditions which are no less favorable than those offered to LVS or its relevant associates.

Pursuant to the Non-Competition Deed, we have undertaken to LVS on a reciprocal basis that we shall not, and shall procure that each of our associates shall not, solely or jointly or through the representation of any person, enterprise or company, without the prior written consent of LVS (based on an affirmative vote of a majority of the members of the board of directors of LVS who do not have, and are not deemed to have, a material interest in the relevant matter (the "prior written consent of LVS"), hold an Interest or have any Involvement in any Casino Gaming Business or Non-Competing Gaming Business outside the Restricted Zone. The provisions in the Non-Competition Deed relating to LVS's non-competition covenants shall apply, with the necessary adjustments, to our above non-competition covenants.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Pursuant to the Non-Competition Deed, we have also confirmed to LVS (for itself and on behalf of each other member of LVS Group) that during the duration of the Non-Competition Deed, we shall not, and shall procure that each of our associates shall not, solely or jointly or through the representation of any person, enterprise or company, without the prior written consent of LVS, hold any Interest or have any Involvement in any Internet gaming business whether the portal or the primary users targeted are domiciled within or outside of the Restricted Zone, and whether or not using trademarks licensed from LVS or affiliates of LVS.

For the purposes of the Non-Competition Deed, the associates of LVS shall be determined by applying the definition in the Listing Rules and shall include any member of the LVS Group but for the avoidance of doubt, disregard our Company or any of our subsidiaries or the interests of our Company or any of our subsidiaries, and the associates of our Company shall be determined by applying the definition in the Listing Rules and shall include any member of our Group but shall disregard any holding company of our Company or any fellow subsidiary of any such holding company or the interests of any such holding company or fellow subsidiary.

The undertakings given by LVS and us under the Non-Competition Deed are effective from [●] and terminate on the earlier of (i) the date on which LVS, through shares held directly or through its associates, ceases to be our Controlling Shareholder and (ii) the date on which [●].

We will disclose in our annual report decisions on matters reviewed by the Independent Board Committee regarding (a) the Business Opportunities offered by LVS to us; and (b) whether any activity or business or proposed activity or business of LVS or any of its associates, directly or indirectly, competes or may lead to competition with the Casino Gaming Business. LVS will make an annual declaration in our annual report on its compliance with the undertakings under the Non-Competition Deed. At least on an annual basis, our independent non-executive Directors will consider whether LVS has complied with the terms set out in the Non-Competition Deed.