



Genting Singapore PLC
(Incorporated in the Isle of Man No. 003846V)

PROPOSED INVESTMENT IN AN INTEGRATED RESORT IN JEJU, KOREA

1. INTRODUCTION

The Board of Directors of Genting Singapore PLC (“**GENS**” or “**the Company**”) wishes to announce that on 7 February 2014, Happy Bay Pte. Ltd. (“**Happy Bay**”), an indirect wholly-owned subsidiary of the Company, has entered into a conditional shareholders agreement (“**SHA**”) with Landing International Development Limited (“**LIDL**”), pursuant to which Happy Bay has agreed to:

- (i) subscribe for 8,250,000 new ordinary shares of KRW 10,000 each (“**Shares**”) in Landing Jeju Development Co., Ltd. (“**LJDC**”) for KRW82,500 million (equivalent to approximately S\$97.1 million based on an exchange rate of S\$1.00 : KRW 850) (the “**Purchase Consideration**”) on the date of completion; and
- (ii) provide shareholders loan(s) totalling an equivalent of KRW82,500 million (equivalent to approximately S\$97.1 million) to LJDC by or on the date of completion (the “**GENS Shareholders Loan**”, and together with the Purchase Consideration, the “**GENS Investment**”).

Under the SHA, LIDL will (i) subscribe for 3,246,854 Shares in LJDC for KRW32,468.54 million (equivalent to approximately S\$38.2 million) (the “**LIDL Additional Investment Consideration**”) on the date of completion; and (ii) provide shareholders loan(s), which, when aggregated with the shareholder loan(s) previously advanced by LIDL to LJDC, totalling an equivalent of KRW82,500 million (equivalent to approximately S\$97.1 million) to LJDC by or on the date of completion (the “**LIDL Additional Shareholders Loan**”, and together with the LIDL Additional Investment Consideration, the “**LIDL Additional Investment**”).

LJDC is currently a wholly-owned subsidiary of LIDL. Completion of the GENS Investment and the LIDL Additional Investment (together the “**Initial Contributions**”) shall take place within 7 days following the notice of satisfaction or waiver of all the conditions precedent in the SHA. Following completion:

- (i) LJDC will have a paid up capital of KRW165,000 million (equivalent to approximately S\$194.1 million) comprising 16,500,000 ordinary shares;
- (ii) LJDC will have shareholder loans amounting to the equivalent of KRW165,000 million (equivalent to approximately S\$194.1 million); and

(iii) Happy Bay and LIDL will each own 50 per cent. equity interest in LJDC.

2. INFORMATION ON LANDING JEJU DEVELOPMENT CO., LTD. AND THE INTEGRATED RESORT

Incorporated on 25 September 2013, LJDC is a corporation duly organised and validly existing under the laws of South Korea. Based on the unaudited management accounts of LJDC as at 31 December 2013, the net book value and net tangible asset value of LJDC was approximately KRW KRW48,293 million. As at 31 January 2014, LJDC has a paid up capital of KRW 50,031,460,000, comprising 5,003,146 Shares.

LJDC was specifically established by LIDL to own, develop, manage and operate an integrated resort in Seogwipo City, Jeju, Korea (the “**Integrated Resort**”). The Integrated Resort is expected to consist of hotels, a theme park, a retail mall, gaming entertainment and other leisure and entertainment facilities, as well as residential apartments and villas. On 25 October 2013, LJDC entered into an agreement to acquire a piece of land, for purposes of the Integrated Resort, of approximately 2.3 million square metres in size at Seogwang-ri in Andeog-myeon, Seogwipo City, Jeju, Korea (the “**Land**”) for a consideration of KRW 136 billion (equivalent to approximately S\$160.0 million) from Jeju Free International City Development Centre.

GENS, through its subsidiaries, will operate and manage the Integrated Resort’s hotels, theme park and gaming entertainment facilities. On 7 February 2014, Genting Integrated Resorts (Singapore) Pte. Ltd., an indirect wholly owned subsidiary of GENS, has entered into an operator agreement in respect of services to be provided to LJDC for its gaming business.

3. GENS INVESTMENT

The GENS Investment was arrived at after taking into consideration the cost of the Land, the estimated total development cost and our projected cash flows from the Integrated Resort. The GENS Investment will be funded using the existing cash reserves of GENS.

4. APPLICATION OF INITIAL CONTRIBUTIONS

The Initial Contributions are intended to be used mainly for the payment of the remaining Land consideration of KRW 68.0 billion and funding the Integrated Resort’s development costs.

5. SALIENT TERMS OF THE SHA

The salient terms of the SHA are as follows:

- (i) Conditions precedent to the completion of the SHA include, amongst others, the following:
 - (a) agreement on and execution of all service agreements to be executed by and between LJDC and affiliates of LIDL and GENS for operation and management services in relation to the theme park business, hotel business and residence business; and

(b) all approvals from the government authorities of Korea and other jurisdictions in connection with the investment in LJDC.

(ii) In the event that completion does not occur by 28 March 2014 (or such later date agreed by the parties), the SHA will terminate and all rights, obligations and liabilities of the parties thereunder shall cease and terminate.

6. INFORMATION ON LANDING INTERNATIONAL DEVELOPMENT LIMITED

LIDL is incorporated in the Cayman Islands and continued in Bermuda with limited liability, and is an investment holding company listed on the Hong Kong Stock Exchange (Stock Code: 582). It is engaged in the business of property development. As at 31 January 2014, the market capitalisation of LIDL was HKD 8.4 billion. The majority of shares in LIDL is held by Landing International Limited which is wholly owned by Mr Yang Zhihui, executive director and Chairman of LIDL. Mr Yang Zhihui is also the controlling shareholder of Anhui Landing Holding Group Co., Ltd and its subsidiaries (together the “**Landing Group**”). Landing Group is one of the largest and leading property developers in Anhui Province, China. The Landing Group was the only real estate company in Anhui province honoured with the title of “The Star of Top 100 Chinese Real Estate Enterprises for the Year 2013” by the Chinese Real Estate Top 10 Research Team.

7. COMPLIANCE WITH THE RULES OF THE LISTING MANUAL AND FINANCIAL EFFECTS

As the relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual amount to 5% or less, the above transaction does not constitute a discloseable transaction.

The GENS Investment is not expected to have any material impact on the Company’s earnings per share and net tangible assets per share for the current financial year ending 31 December 2014.

8. RATIONALE

The Group has been identifying and evaluating new investment opportunities within our core expertise in the gaming, leisure and entertainment and hospitality sectors to provide medium term growth and long term value to our shareholders. This proposed acquisition provides us with a good opportunity to expand our business into Korea and participate in the growing tourism industry in Korea and Jeju.

9. SUBSCRIPTION OF NEW SHARES IN LIDL

In addition to the GENS Investment, Dynamic Sales Investments Limited (“**DSIL**”), an indirect wholly owned subsidiary of GENS, has entered into a conditional subscription agreement (the “**Subscription Agreement**”) for the acquisition of 810,000,000 new shares in LIDL (representing approximately 5.0 per cent. of the enlarged issued and paid up share capital in LIDL) at HK\$0.30 per share (the “**Subscription**”). The total purchase consideration is HK\$243.0 million (equivalent to approximately S\$39.8 million based on an exchange rate of S\$1.00 : HK\$6.11).

The salient terms of the Subscription Agreement are as follows:

- (i) Conditions precedent to the completion of the Subscription Agreement include, amongst others, the following:
 - (a) LIDL having obtained the necessary shareholders and/or board approval for a specific mandate authorising the issue of subscription shares to DSIL; and
 - (b) the listing committee of The Stock Exchange of Hong Kong Limited granting its approval for the listing of and permission to deal in the subscription shares and such listing and permission not being subsequently revoked prior to completion.
- (ii) In the event that the conditions precedent are not met by 28 March 2014, LIDL and DSIL will not be obliged to complete and all rights, obligations and liabilities in relation to the Subscription Agreement shall cease and terminate and neither LIDL nor DSIL shall have any claim against the other in respect of the subscription save for any antecedent breaches of the Subscription Agreement.
- (iii) DSIL undertakes not to sell or transfer or otherwise dispose of, in whole or in part, any of its subscription shares during a period of one year from the completion date.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders has any direct or indirect interest in the GENS Investment or the Subscription.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SHA is available for inspection at the registered office of the Company at 10 Sentosa Gateway, Resorts World Sentosa, Singapore 098270 during normal business hours for a period of three (3) months from the date of this announcement.

For and on behalf of the Board
Genting Singapore PLC

Tan Hee Teck
Director / President and Chief Operating Officer
7 February 2014