

CIRCULAR DATED 20 JANUARY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your shares in Genting Singapore Limited, please forward this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Circular.



GENTING SINGAPORE LIMITED

(Registered in the Republic of Singapore)
(Company Registration No: 201818581G)

CIRCULAR TO SHAREHOLDERS

in relation to

- (I) PROPOSED BID FOR INTEGRATED RESORT PROJECT IN JAPAN;**
- (II) PROPOSED GRANT OF SPECIAL INCENTIVE AWARDS PURSUANT TO PERFORMANCE SHARE SCHEME (“PSS”) TO NON-EXECUTIVE DIRECTORS; AND**
- (III) PROPOSED INCREASE IN LIMIT OF PSS SHARE AWARDS TO CHAIRMAN**

Financial Adviser



ERNST & YOUNG CORPORATE FINANCE PTE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No: 199702967E)

IMPORTANT DATES AND TIMES:

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| Last date and time for lodgment of Proxy Form | : | Saturday, 1 February 2020 at 11.00 a.m. |
| Date and time of Extraordinary General Meeting | : | Tuesday, 4 February 2020 at 11.00 a.m. |
| Place of Extraordinary General Meeting | : | Resorts World Ballroom East Resorts World Convention Centre Basement 2, 8 Sentosa Gateway Resorts World Sentosa Singapore 098269 |

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NOTICE TO SHAREHOLDERS

Forward-looking Statements. This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of known and unknown risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments and governmental and public policy changes. You should not place undue reliance on these forward-looking statements, which are based on the Company's current view of future events. Investors should read the whole of this Circular for details of the forecasts and projections, consider the assumptions used and make their own assessment of the future performance of the Group.

Disclaimers. Nothing in this Circular constitutes, or shall be construed as, legal, business, financial or tax advice. Shareholders should consult their own professional advisers as to the legal, business, financial, tax and related aspects of an investment in the Shares. Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately if they are in any doubt as to the action they should take.

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

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| “ Approval Limit ” | : | The limit on the Investment Amount in relation to Resolution 1 of this EGM, further details of which are set out in Section 2.7.1 . |
| “ Board ” | : | The Board of Directors from time to time. |
| “ Bursa Malaysia ” | : | Bursa Malaysia Securities Berhad. |
| “ CDP ” | : | The Central Depository (Pte) Limited. |
| “ CGS-CIMB ” | : | CGS-CIMB Securities (Singapore) Pte. Ltd. |
| “ Chairman ” or “ TSLKT ” | : | Tan Sri Lim Kok Thay, Executive Chairman of the Company. |
| “ Chairman’s Award Limit ” | : | The limit on the number of Shares which may be awarded to the Chairman pursuant to the terms of the PSS. |
| “ Chairman’s Incentive Award ” | : | The incentive award to be granted to the Chairman in relation to the Proposed Bid, further details of which are set out in Section 4 . |
| “ CIMB ” | : | CIMB Bank Berhad, Singapore Branch. |
| “ CMC ” | : | Casino Management Committee (<i>Kajino-kanri-iinka</i>). |
| “ Company ” | : | Genting Singapore Limited, a company registered in Singapore. |
| “ Directors ” | : | The Directors of the Company from time to time. |
| “ EGM ” | : | The extraordinary general meeting of the Company to be held on 4 February 2020, notice of which is set out on page 73 of this Circular, and any adjournment thereof. |
| “ EPS ” | : | Earnings per share. |
| “ Expansion Development ” | : | The Group’s commitment to renew and refresh its Singapore IR, Resorts World Sentosa. |
| “ Financial Adviser ” | : | Ernst & Young Corporate Finance Pte Ltd, the financial adviser to the Company in relation to the matters set out in Resolution 1 . |
| “ FY2018 ” | : | Financial year ended 31 December 2018. |
| “ GENHK ” | : | Genting Hong Kong Limited, an exempted company continued into Bermuda. |

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| “GENM” | : | Genting Malaysia Berhad, a company incorporated in Malaysia. |
| “GENT” | : | Genting Berhad, a company incorporated in Malaysia. |
| “GENT Group” | : | GENT and its subsidiaries and associated companies. |
| “GHL” | : | Golden Hope Limited, a company incorporated in the Isle of Man. |
| “GOHL” | : | Genting Overseas Holdings Limited, a company incorporated in the Isle of Man. |
| “Group” | : | The Company and its subsidiaries, jointly controlled entities and associated companies from time to time. |
| “Group Executive Director” | : | A director of the Company and/or any member of the Group, as the case may be, who performs an executive function within the Group. |
| “Group Executive” | : | An employee of the Group who is eligible to participate in the PSS. |
| “Investment Amount” | : | The total investment amount to be submitted in a Proposed Bid by the Company. |
| “IR” | : | An integrated resort development, which consists of a mixture of facilities such as conference centres, exhibition facilities, recreational facilities, tourist facilities, accommodation facilities and casino facilities. |
| “IR Act” | : | Act on the Promotion of Development of Specified Complex Tourist Facility Areas of Japan enacted on 27 July 2018 (Act No. 80 of 2018, <i>Tokutei-fukugo-kanko-shisetsu-kuiki-seibi hou</i>). |
| “IR Area” | : | Areas in Japan which are certified by MLIT for development of an IR. |
| “IR Order” | : | Order of the Japanese government cabinet enacted on 29 March 2019 (Order No. 72 of 2019, <i>Tokutei-fukugo-kanko-shisetsu-kuiki-seibi hou sekorei</i>). |
| “JPY” | : | Japanese Yen, the lawful currency for the time being of Japan. |
| “KHI” | : | Kien Huat International Limited, a company incorporated in the Isle of Man. |
| “KHR” | : | Kien Huat Realty Sdn. Bhd., a company incorporated in Malaysia. |

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| “Latest Practicable Date” | : | 8 January 2020, the latest practicable date prior to the printing of this Circular. |
| “Listing Manual” | : | The Listing Manual of the SGX-ST. |
| “Market Report” | : | The Market Report set out in Appendix 1 . |
| “MICE” | : | Meetings, incentives, conferences and exhibitions. |
| “MLIT” | : | Minister for Land, Infrastructure, Transport and Tourism of Japan. |
| “NAV” | : | Net asset value, being total assets less total liabilities. |
| “Non-Executive Director” | : | A director of the Company and/or any member of the Group, as the case may be, other than a Group Executive Director. |
| “NTA” | : | Net tangible asset value, being total tangible assets less total liabilities. |
| “Parkview” | : | Parkview Management Sdn. Bhd., a company incorporated in Malaysia. |
| “ProjectCo” | : | A subsidiary established by the Company in Japan for the purposes of the Proposed Bid. |
| “Proposed Bid” | : | The proposal to submit one or more bids for the development, operation, management and/or ownership of an IR in Japan and to undertake the Japan IR project. |
| “Proxy Form” | : | Proxy form issued to Shareholders. |
| “PSS” | : | The Genting Singapore Performance Share Scheme, as last approved by the Shareholders on 21 April 2016. |
| “PSS Share Awards” | : | Awards of Shares pursuant to the PSS. |
| “SGX Ruling” | : | The ruling from the SGX-ST sought for and obtained by the Company in connection with the Proposed Bid. |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited. |
| “SGD” | : | Singapore Dollars, the lawful currency for the time being of Singapore. |
| “Shareholders” | : | Registered holders of Shares in the Register of Members of the Company from time to time, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and in whose securities accounts Shares are credited from time to time. |

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| “Shares” | : | Ordinary shares in the capital of the Company. |
| “Special Incentive Awards” | : | Awards of Shares pursuant to the PSS in relation to the Proposed Bid, further details of which are set out in Section 3.1 . |
| “Trading Day” | : | A day on which shares are traded on the SGX-ST. |
| “USD” | : | United States Dollars, the lawful currency for the time being of the United States of America. |
| “10-Trading Day VWAP” | : | The volume weighted average price of the Shares for the 10 Trading Days immediately following the release of the Company’s financial results for the financial year ended 31 December 2019 on the SGX-ST, or such other later date as the Board may determine. |

Depositors, etc. The expressions **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in the Securities and Futures Act, Chapter 289 of Singapore.

Genders, etc. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Time. Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise specified.

Rounding. Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under any statute or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to that word under that statute or that statutory modification, as the case may be.

Shares outstanding. Any reference in this Circular to outstanding Shares is a reference to the Shares in issue, excluding treasury Shares. Shareholding percentages are calculated based on 12,057,234,674 outstanding Shares, excluding 36,792,150 treasury Shares, as at the Latest Practicable Date.

Exchange Rate. In this Circular, unless otherwise stated, the exchange rate applied by the Group for conversions of (a) USD into SGD (or *vice versa*) is USD1:SGD1.36 and (b) USD into JPY (or *vice versa*) is USD1:JPY109.01, in each case, being the exchange rate as at the Latest Practicable Date.



GENTING SINGAPORE

GENTING SINGAPORE LIMITED

(Registered in the Republic of Singapore)
(Company Registration No: 201818581G)

Board of Directors:

Tan Sri Lim Kok Thay (*Executive Chairman*)
Mr Tan Hee Teck (*President and Chief Operating Officer*)
Mr Koh Seow Chuan (*Independent Non-Executive Director*)
Mr Jonathan Asherson (*Independent Non-Executive Director*)
Mr Tan Wah Yeow (*Independent Non-Executive Director*)
Ms Chan Swee Liang Carolina (*Independent Non-Executive Director*)

Registered Office:

10 Sentosa Gateway
Resorts World Sentosa
Singapore 098270

20 January 2020

To: Shareholders of Genting Singapore Limited

Dear Sir/Madam,

1. INTRODUCTION

1.1 EGM. The Directors are convening an EGM, to be held on 4 February 2020, to seek the approval of Shareholders for:

- (a) the Company to submit the Proposed Bid, being one or more bids for the development, operation, management and/or ownership of an IR project in Japan and to undertake the Japan IR project ("**Resolution 1**");
- (b) the proposed grant of awards of Shares pursuant to the PSS, being the Genting Singapore Performance Share Scheme, as last approved by the Shareholders on 21 April 2016, to the Non-Executive Directors ("**Resolution 2**"); and
- (c) the proposed increase in the limit of the PSS Share Awards, being the awards of Shares pursuant to the PSS to the Chairman ("**Resolution 3**").

1.2 Circular. The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for, **Resolution 1**, **Resolution 2** and **Resolution 3**.

1.3 Disclosure. At the outset, it should be noted with respect to **Resolution 1** that the Company has entered into non-disclosure agreements with certain prefectures and cities in Japan in which the Company is considering submitting a Proposed Bid and the Company is accordingly bound by such non-disclosure agreements as to the level and extent of information which may be shared in this Circular. That being said, the Board is cognisant of, and has at the forefront of its considerations, the need to provide Shareholders with a reasonable level of information to allow Shareholders to make an informed assessment of the Proposed Bid. In preparing this Circular, the Board has consistently considered its duties to the Shareholders and has sought to ensure that the Company has provided a Circular which provides sufficient context and information to Shareholders, as appropriately counterbalanced by the Company's obligations under the non-disclosure agreements.

2. PROPOSED BID

2.1 Japan Tourism

Japan is the third-largest travel and tourism economy in the world, with travel and tourism contributing a total of JPY40.6 trillion (approximately USD372.4 billion) to the country's gross domestic product¹.

International tourist visitation to Japan has been growing at significant rates, driven mainly from Asian countries. In 2018, Asian tourists accounted for approximately 84.5% of total visitors to Japan, while international visitor consumption reached a record high of JPY4.5 trillion (approximately USD41.3 billion), which was an approximately 300% increase from the 2012 figure of JPY1.1 trillion (approximately USD10.1 billion)².

In addition to international tourism, Japan has a strong domestic tourism base. In 2018, domestic tourism consumption was JPY20.5 trillion (approximately USD188.1 billion), with domestic overnight trips contributing JPY15.8 trillion (approximately USD144.9 billion) and domestic same-day trips contributing JPY4.7 trillion (approximately USD43.1 billion)³.

Looking ahead, the Japanese government has set a target of 60 million visitor arrivals and JPY15.0 trillion (approximately USD137.6 billion) in international tourist consumption by the year 2030⁴. This represents a target of 90% and 230% increase of visitor arrivals and international tourism consumption, respectively, over those achieved in 2018. While upcoming major global events such as the Tokyo Olympic Games in 2020 and the Osaka World Expo in 2025 will enhance the growth prospects, the introduction of IRs is envisaged to galvanise the growth trajectory and further enhance Japan's attractiveness as an international tourism destination.

Over the last decade, Singapore IRs have demonstrated their significance in driving the nation's tourism economy. They have enhanced Singapore's reputation as a "must-visit" destination for leisure and business visitors and played a pivotal role in growing international tourist visitation by almost two times from 9.7 million in 2009 to 18.5 million in 2018. In parallel, tourism receipts grew sharply after the IRs opening and maintained an average growth rate of 5% per annum through to 2018⁵.

2.2 Japan IR Market

Japan IR. The Japanese government has taken progressive steps towards the liberalisation and opening of IRs across the country. It has stated that IRs will "greatly benefit tourism, regional promotion and job creation" while helping to make Japan an international travel destination. Further, the purpose of having IRs is to achieve globally competitive "stay-oriented" business and leisure tourism in Japan, including the following:

- (a) hosting international MICE events by developing facilities with unprecedented scale and quality;
- (b) drawing international tourists to Japan by introducing Japan's natural beauty, unique history, culture, tradition and food to the world; and

1 Source: World Travel and Tourism Council's Economic Impact 2019 Report.

2 Source: National Tourism Survey, Japan Tourism Agency, 2018.

3 Source: National Tourism Survey, Japan Tourism Agency, 2018.

4 Source: Tourism Vision to Support the Future of Japan, Japan Prime Minister's Office, 2016.

5 Source: Study Commissioned by the Company from Professor Toh Mun Heng, Lee Kuan Yew School of Public Policy, 2018.

- (c) to be an exchange hub between the world and various parts of Japan, by encouraging IR visitors to also visit various locations nationwide.

By this, the IRs are expected to help boost the Japanese tourism industry and improve the fiscal position of national government and regional municipalities.

Japan Gaming. In Japan, certain forms of gaming are already permitted, such as limited betting on public races (for example, horse racing, power boat racing and asphalt speedway racing). Lotteries are also held by prefectures or large cities on a regular basis throughout the year.

Another popular form of entertainment is “Pachinko”, which is played on pinball-like machines in amusement arcades. In this game of chance, tokens won in a Pachinko machine can be exchanged for prizes. The Pachinko industry recorded a total volume played of approximately USD190 billion in 2018⁶.

In liberalising the gaming sector, the Japanese government is mindful of the need for social safeguards to protect the local population. Accordingly, the IR Act contains provisions for social safeguards, including the requirement that Japanese residents and Japanese citizens must pay an entry levy of JPY6,000 (approximately USD55) and are subject to visit limits of up to three visits in seven days with a cap of 10 visits in 28 days. In addition, patron verifications are to be made through the “My Number”⁷ card for residents and through passports for non-residents.

Japan IR Facilities. The Japan IR facilities will be of substantial scale with a focus on promoting tourism. They will consist of mandatory facilities, including international conference facility, exhibition hall, attraction enhancement facility, Japan tourism gateway facility, accommodation, other tourism facilities and a casino.

Market Report. Further information on IRs and IR markets can be found in the Market Report, as set out in **Appendix 1**. The Company has appointed CIMB and CGS-CIMB to jointly prepare the Market Report. The Market Report contains discussions on IRs that include a casino component, setting out themes that drive IR gaming and non-gaming revenues, earnings and returns and discussions on the Japan IR market in comparison with other IR markets, including Singapore, Macau, Las Vegas and Malaysia.

2.3 Japan IR Framework⁸

The Japanese parliament enacted the IR Act on 27 July 2018 to legalise gaming activities conducted by licensed casino business operators within an IR, i.e., a development which consists of a mixture of facilities such as conference centres and exhibition facilities, recreational facilities, tourist facilities, accommodation facilities and casino facilities. On 29 March 2019, the Japanese government cabinet approved the issuance of the IR Order, setting out certain requirements for IRs in Japan.

6 Source: 2019 White Paper on Leisure by Japan Productivity Centre.

7 “My Number” is a 12-digit ID number issued to citizens and residents in Japan used for taxation, social security and disaster response purposes.

8 The information set out in this **Section 2.3** has been obtained from publicly available information provided by the Japanese authorities as at the Latest Practicable Date. Further information on the Japan IR project is expected to be set out in the National Guidelines (*Kihon hoshin*) (a draft of which has been published and made available) and the terms of the Request for Proposal to be issued by the Japanese local authorities.

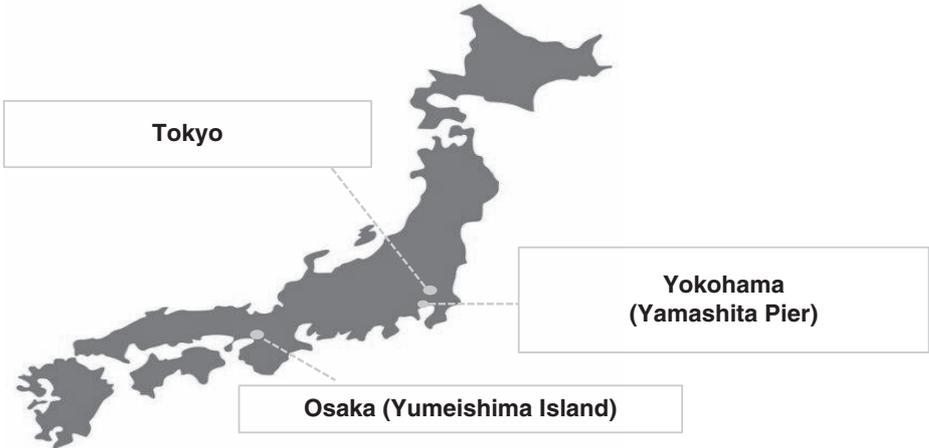
The IR Act and IR Order set out the general framework for the development of IRs in Japan and these are summarised below (noting that details of the implementation of such framework are to be worked out and published by the relevant prefectures and cities in Japan which are interested in developing an IR within their administrative regions).

Objectives. The objectives of the IR Act and IR Order are to promote tourism, improve the economy at the prefecture or regional level and the public finances of Japan, while at the same time mitigating the potentially harmful social effects associated with gambling in Japan.

Regulatory Authorities. The MLIT is responsible for approving applications by interested prefectures and cities in Japan for the development of an IR within their administrative regions. The CMC, comprising members who are experts in various fields, will supervise operations of IRs in Japan.

IR Areas. Initially, up to three areas will be approved as IR Areas. Seven years after the MLIT has certified the first IR in Japan, it will review the number of IRs. The IR Act and IR Order do not specify where these locations are, leaving it to the interested prefectures and cities in Japan to submit a proposal to develop an IR within their administrative regions to MLIT. It has been reported that the major prefectures and cities in Japan which have expressed interest in IR development are Osaka, Yokohama and Tokyo.

Figure 1. Major Prefectures and Cities in Japan reported to have expressed interest in developing an IR⁹



9 For the avoidance of doubt, the Company seeks the approval to submit a Proposed Bid in any IR Area pursuant to a Request for Proposal (and not only in the prefectures and cities set out in this Figure 1 or the prefectures and cities in Japan which have issued their Request for Proposal rules and requirements as at the Latest Practicable Date).

Request for Concept Process. Prior to the official IR tender process, the local governments of interested prefectures and cities in Japan may first hold a Request for Concept process, to invite interested IR operators to indicate their interest by submitting their IR project concept proposal. To-date, the Company has submitted its Request for Concept to the local governments of Osaka and Yokohama.

IR Area Selection Process. The local governments of interested prefectures and cities in Japan will undertake an IR tender process through a Request for Proposal to select an IR operator. This is the tender process which the Company intends to participate in, pursuant to the Proposed Bid. Once a local government has selected an IR operator, they are to work together to submit an “area development plan” for approval by the local assembly and, thereafter, certification by the MLIT. Upon certification by the MLIT, the relevant local government and IR operator will enter into an “implementation agreement” (*Jishi-kyotei*) to develop the IR on the IR Area.

As at the Latest Practicable Date, Osaka has launched its Request For Proposal in December 2019 and is expected to select an IR operator in June 2020. Yokohama launched its Request for Concept process in October 2019 and may launch its Request for Proposal process in 2020.

IR Area Certification Duration. The MLIT’s certification for an IR Area is for a period of 10 years after it is granted, subject to renewal for a further period of five years.

IR Operator. The IR operator is required to manage the various components of the IR business in an integrated and sustainable manner. The various facilities should aim to promote tourism in Japan with attractions which focus on Japanese tradition and culture.

Casino Licence. Each IR operator must apply for and hold a casino licence under the IR Act. Applicants for such licence must have the track record for operating IRs, must have sufficient financial resources and must satisfy customary “fit and proper” requirements. These fit and proper requirements also extend to persons holding a substantial interest in an IR operator. A casino licence is valid for three years and may be renewed for successive terms of three years each.

Each IR operator is required to be a company incorporated in Japan and the Company will establish ProjectCo, a subsidiary in Japan, for this purpose.

IR Area Requirements. While details of the specific requirements for the local prefectures and cities in Japan vary from location to location, the general requirements for an IR Area which have been promulgated are as follows:

- it must have a conference hall in which international conferences can be held;
- it must have exhibition facilities which are suitable for global level exhibitions and events;
- it must incorporate facilities relating to Japanese history, culture and heritage, which contribute to Japan’s attractiveness as a tourist destination centre;
- it must have a travel facilitation centre, which will provide information on sightseeing in Japan and one-stop travel services;
- it must have accommodation facilities;
- it must have facilities which contribute to local and overseas tourism;
- the net gaming area must not exceed 3% of the total gross floor area of the relevant IR;

- it is subject to gaming tax of 30% of gross gaming revenue; and
- it must apply measures to mitigate the potentially harmful social effects associated with gambling in Japan, such as imposing an entry levy of JPY6,000 (approximately USD55) per person, limiting the frequency of entries by Japanese residents and Japanese citizens and establishing robust anti-money laundering processes.

Indicative Timeline. Based on currently available information, the following is an indicative timeline of key milestones of the Japan IR project:

| Timeline | : | Milestone |
|-----------------|----------|--|
| • 2016 – 2019 | : | Passing of IR-related laws and regulations |
| • 2019/2020 | : | Request for Proposals issued/to be issued by local prefectures and cities |
| • Early 2020 | : | Release of the National Guidelines for IR Area Development by the Japan government |
| • 2020 | : | Selection of IR operator by local government |
| • 2021 | : | Certification of IR Area by the MLIT |
| • 2021/2022 | : | Commencement of development of the IR |

Note: This timeline is indicative only and is subject to change depending on, among other things, determination by relevant Japanese authorities.

2.4 Rationale for the Proposed Bid

The Company is principally engaged in the development, operation, ownership and management of IR destinations including gaming, hospitality, MICE, leisure and entertainment facilities. The Company, through its indirect wholly-owned subsidiary, Resorts World at Sentosa Pte. Ltd., operates Resorts World Sentosa in Singapore, one of the largest IR destinations in Asia.

Leverage on Core Expertise. The Japan IR project offers the Group an opportunity to leverage its core expertise in the development, operation, ownership and management of IR destinations, to achieve geographical diversification and sustain its growth trajectory in the longer term.

For more than 30 years, the Company has successfully carried on the business of owning, developing and managing IRs and consulting for IRs in Asia and other parts of the world. Its projects include the Burswood Resort in Australia, Adelaide Casino in Australia, the Lucayan Beach Resort and Casino in the Bahamas, the Subic Bay Resort and Casino in the Philippines and Resorts World Sentosa in Singapore.

The Company's flagship project, Resorts World Sentosa opened in February 2010, after a record short construction time of 34 months. Today, it welcomes more than 20 million visitors annually, and accounted for more than one-third of international visitor arrivals into Singapore in 2018. Resorts World Sentosa's success as an IR has been recognised in the industry by its winning of the prestigious Best Integrated Resort award by the Travel Trade Gazette for nine consecutive years since 2011.

The Group operates its Singapore IR in an environment where the operational and regulatory regime is of very high standards. It has met and continues to meet the stringent regulatory requirements imposed on both the casino and non-casino businesses of the Singapore IR. As the Singapore regulatory regime evolves and requirements change, the Group is able to adapt and work closely with the regulators and government agencies to

ensure continued compliance with the regulatory framework. This experience will be highly valuable as the Group will apply the same high standards in any IR operations that it may establish in Japan.

The Board believes that the Company can leverage on the Group's strong track record, expertise and experience gained in all its IR projects and, in particular, from the development and operation of Resorts World Sentosa in Singapore, for the purpose of submitting a bid for the Japan IR.

Diversify into New Geographical Market. The potential foray into Japan also offers the Group an opportunity to diversify into a new geographical market – hence, being less susceptible to single country or single region risks. Japan is possibly one of the last major regulated gaming markets and offers significant potential within its domestic market. Japan is also riding on a strong wave of international tourism growth. Such strong international tourism growth is expected to continue in the years to come, with Japan hosting major events such as the 2020 Tokyo Olympics and the 2025 Osaka-Kansai Expo.

Strong Financial Position. The Group's strong financial position puts it in an exceptional position to develop a truly transformational project in Japan. The Japan IR investment will enable the Group to optimise its balance sheet and create attractive and sustainable returns to Shareholders in the medium and longer term, as it did with the Singapore IR.

The Company expects the return of the Japan IR project to be commensurate with market expectations and conditions of similar projects in the leisure, hospitality and gaming industry, having regard to macro- and micro-economic factors. The Company will only submit a Proposed Bid and undertake the Japan IR project if it is in the interests of the Company to proceed to do so, after considering all relevant factors, including those set out below.

Before submitting any Proposed Bid and in considering the manner and extent of the Proposed Bid, the Board will consider all relevant factors, including the matters set out in Section 2.8 and the following matters:

- **relevant laws and regulations relating to the development and operation of IRs in Japan;**
- **requirements for the Japan IR to be developed and the terms and conditions of the Proposed Bid;**
- **development and pre-opening costs and project construction risks;**
- **funding requirements, potential returns of the investment and the financial implications of the Proposed Bid to the Group; and**
- **the risks and returns from the Japan IR project.**

If the Board determines that it is not in the interests of the Company to proceed with submitting any Proposed Bid, the Company will not proceed to do so.

Shareholders are advised to note that there is no certainty or assurance that the Company will proceed with any Proposed Bid.

2.5 One Japan IR Project Only. Depending on the timing and circumstances of the IR public tender process which different prefectures and cities in Japan may launch, the Company may submit a bid for one or more proposed IR Areas. However, the Company will not, in any event, develop and operate more than one IR in Japan in the first seven years after the MLIT has approved the first IR in Japan (please see **Section 2.3, “IR Areas”**).

2.6 Focus on Major Prefectures and Cities. In addition, the Board has considered that it will focus on major prefectures and cities in submitting the Proposed Bid. This is to ensure that the Company develops and operates a Japan IR in a prefecture or city with a large addressable market.

2.7 Chapter 10 of Listing Manual

2.7.1 Applicability of Chapter 10 of Listing Manual. Depending on the Investment Amount, being the total investment amount to be submitted in a Proposed Bid by the Company, and the materiality of such Investment Amount relative to the market capitalisation of the Company as at the date of submission of the Proposed Bid, approval of Shareholders may or may not be required for the Company to submit the Proposed Bid. The Company has, in this regard, sought for and obtained certain rulings from the SGX-ST.

These matters are described in this **Section 2.7.1** and further elaborated below:

- **Approval of Shareholders.** Where the Investment Amount is equal to or exceeds 100% of the market capitalisation of the Company as at the date of submission of the Proposed Bid:
 - o the submission of the Proposed Bid would be subject to approval of Shareholders. The Company has sought for and obtained the SGX Ruling that, in this scenario, the Proposed Bid would be required to be approved by Shareholders only as a “**major transaction**” pursuant to Rule 1014 of the Listing Manual (instead of as a “**very substantial acquisition**” pursuant to Rule 1015 of the Listing Manual), on the grounds set out in **Section 2.7.3**; and
 - o as further elaborated in **Section 2.7.2**, the Investment Amount has not been determined at this stage. To allow flexibility for the Company to determine the Investment Amount and submit a Proposed Bid, the Company is seeking the approval of Shareholders at this EGM pursuant to **Resolution 1**. However, the Company is cognisant that, for the purposes of good corporate governance, such approval of Shareholders should not be for an “un-capped” amount. Hence, the Company is seeking the approval of Shareholders to submit a Proposed Bid with respect to any one prefecture or city with an Investment Amount not exceeding USD10 billion (approximately SGD13.6 billion) (“**Approval Limit**”); and
- **No Approval of Shareholders.** Where the Investment Amount exceeds 20% but is less than 100% of the market capitalisation of the Company as at the date of submission of the Proposed Bid:
 - o the submission of the Proposed Bid would not be subject to approval of Shareholders. This is on the grounds that the development and operations of an IR is within the ordinary course of business of the Company; and

- o for the avoidance of doubt, if the Investment Amount exceeds the Approval Limit, but is less than 100% of the market capitalisation of the Company as at the date of submission of the Proposed Bid, any submission of such Proposed Bid would not be subject to approval of Shareholders. The Company would, accordingly, be permitted to make such submission, regardless of whether approval of Shareholders for **Resolution 1** is obtained at this EGM.

In summary:

| Investment Amount | Market capitalisation (as at the date of submission of the Proposed Bid) | |
|--|--|---|
| | ≥100% | <100% |
| > USD10 billion (approximately SGD13.6 billion) (i.e., Approval Limit) | × The Company would not be permitted to rely on approval by Shareholders pursuant to Resolution 1 to submit the Proposed Bid, as the Investment Amount would exceed the Approval Limit. | √ The Company would be permitted to submit the Proposed Bid, as the Investment Amount is less than 100% of the market capitalisation of the Company at such time. |
| ≤ USD10 billion (approximately SGD13.6 billion) (i.e., Approval Limit) | √ The Company would, subject to approval by Shareholders pursuant to Resolution 1 , be permitted to submit the Proposed Bid. | |

2.7.2 Investment Amount. The Investment Amount is subject to various factors, including the terms and conditions of the IR tender process issued by the relevant prefecture or city, analysis of business environment at the time of submission and analysis of commercial value-add to the Group. As this will be a greenfield project of a mega scale, there will need to be an assessment of real estate development of the respective sites, including costs and period of construction, land-related matters, environmental considerations and pre-opening functions. These matters can generally only be evaluated when documents are made available by the relevant prefectures and cities pursuant to a launch of the public tender process through a Request for Proposal. The Investment Amount can then be determined after analysing and building a strategy and business plan based on the appropriate tender documents (please see **Section 2.3** for the indicative timing of launch of a Request for Proposal by relevant prefectures and cities).

The Approval Limit has been determined based on general specifications and terms relating to the Japan IR project as set out in the IR Act, the IR Order, any other information published by the Japan national and/or local government and a general assessment of the market.

It should be noted that the Company may, having regard to various factors, including financial projections and costs of construction and development, submit a Proposed Bid with an Investment Amount which is less than the Approval Limit.

It should also be noted that the Company may undertake the Japan IR project on its own or together with other investors or partners as part of a consortium. If and to the extent the Company undertakes the Japan IR project as part of a consortium, the Company will only contribute its proportion of the total Investment Amount reflecting the ownership and funding structure of the consortium. The Approval Limit will then only apply to such portion contributed by the Company.

2.7.3 Major Transaction (not Very Substantial Acquisition). An Investment Amount which is equal to or exceeds 100% of the market capitalisation of the Company as at the date of submission of the Proposed Bid would have required the approval of Shareholders as a “**very substantial acquisition**” pursuant to Rule 1015 of the Listing Manual. However, the Company has sought for and obtained the SGX Ruling that, as the development and operations of an IR is within the ordinary course of business of the Company, the submission of the Proposed Bid would be required to be approved by Shareholders only as a “**major transaction**” pursuant to Rule 1014 of the Listing Manual, instead of as a “**very substantial acquisition**” pursuant to Rule 1015 of the Listing Manual, even if the Investment Amount were equal to or exceeds 100% of the market capitalisation of the Company as at the date of submission of the Proposed Bid (but provided that the Investment Amount does not exceed the Approval Limit).

The Japan IR project falls within the core business of the Company, which is to develop, manage, own and operate IRs. In the event the Company succeeds in the Proposed Bid, the Company would be able to embark on its next stage of growth, thereby strengthening its foothold in the IR industry by accessing the untapped market of Japan.

Rules 1014 and 1015 of the Listing Manual both require Shareholders to approve the Proposed Bid by a simple majority of all Shareholders present and voting at the EGM and are both subject to substantially the same levels of disclosures¹⁰. However, Rule 1015 of the Listing Manual is applied to transactions where an issuer acquires a target entity which is larger, by reference to net asset value, net profits, market capitalisation or share capital, than the issuer – accordingly, very substantial acquisitions are subject to additional requirements in the Listing Manual which relate primarily to the target entity meeting minimum requirements for listing on the SGX-ST. This is to ensure that the “very substantial acquisition” is not a “back-door” listing of the target. In this case, the Proposed Bid is not an acquisition of a target entity or assets – it relates instead to the development and operations of the Japan IR project through ProjectCo, a subsidiary of the Company. Accordingly, the Company does not consider there to be material prejudice to Shareholders to approve the Proposed Bid pursuant to Rule 1014 of the Listing Manual (in lieu of Rule 1015 of the Listing Manual).

¹⁰ In the case of Rule 1015 of the Listing Manual, the latest three years of *proforma* financial information of the assets to be acquired, accompanied by an accountants’ report on such assets, are required to be disclosed – as the Proposed Bid for the Japan IR project does not relate to an acquisition of existing assets (and instead relates to the development and operations of an IR), such *proforma* financial information is not, in any case, available.

2.7.4 Approval of Shareholders.

It should be noted that, where the Investment Amount is equal to or exceeds 100% of the Company's market capitalisation as at the date of submission of the Proposed Bid, until and unless approval of Shareholders has been obtained, the Company will not proceed to make a Proposed Bid. If such approval of Shareholders is obtained pursuant to Resolution 1, the Proposed Bid shall not exceed the Approval Limit.

2.7.5 No Approval of Shareholders.

It should be noted that, where the Investment Amount exceeds 20% but is less than 100% of the Company's market capitalisation as at the date of submission of the Proposed Bid, the submission of the Proposed Bid would not be subject to approval of Shareholders – this is regardless of whether approval of Shareholders for the submission of the Proposed Bid pursuant to Resolution 1 is obtained at the EGM.

2.7.6 No Approval of Casino Regulatory Authority of Singapore Required.

The submission of the Proposed Bid and the development, operation, management and/or ownership of an IR in Japan is not subject to the approval of the Casino Regulatory Authority of Singapore.

2.7.7 SGX Ruling.

The SGX Ruling was granted for the reasons set out in **Section 2.7.3** and is subject to the Company (a) seeking shareholders' approval for the Company to submit the Proposed Bid at the EGM, (b) complying with Rule 1014 of the Listing Manual and (c) giving full disclosure of the requirements under Rule 1010 of the Listing Manual in this Circular. With respect to **(b)** and **(c)**, please see **Section 2.8** for further details.

2.8 Impact of Proposed Bid

2.8.1 Proforma Financial Effects. In the usual case of an acquisition to which Rule 1014 of the Listing Manual applies, the *proforma* financial effects of the transaction in question on:

- (a) the NAV or NTA of the issuer in question; and
- (b) the net profits and EPS of the issuer in question,

could be calculated assuming that the transaction were completed as at the end (in the case of **(a)**) or with effect from the beginning (in the case of **(b)**) of the last financial year of such entity.

In the case of the Company's proposed investment in a Japan IR project, however, it is not possible and it would not be meaningful to calculate the *proforma* financial effects of the investment on the NAV or NTA, net profits and EPS of the Group as at and for the financial year ended 31 December 2018. This is because the specific terms and the amount of the investment depend on, among other things, the requirements of the Request for Proposal issued by the Japanese authorities and cannot be determined at this stage. Further, just as importantly, the investment is to be made over an extended period of time (as opposed to payment of the purchase price for an acquisition, which is generally payable on one date), taking into account the construction and development phase of the Japan IR project.

In this regard, the SGX-ST has agreed that the Company is not required to disclose the foregoing *proforma* financial effects for the reasons stated above.

2.8.2 Source of Funding. Funding required for the Japan IR project is expected to be mainly through:

- (a) internal cash resources;
- (b) bank borrowings (including project financing at the Japan IR level); and
- (c) the issuance of debt and hybrid securities.

Where the Company makes the Proposed Bid together with partners or investors as part of a consortium, the Company's contribution to the funding structure will reflect such arrangements. The development of the Japan IR project is expected to cover a period of five to six years from the date of certification of IR Area by the MLIT and the funds raised will be deployed over such period.

The Company will explore various financing structures for the Japan IR project. The structures adopted will aim to achieve optimal capital structure for the Group. The Board will determine the appropriate mix of internal and external funding when the Investment Amount is determined and the project development plan has been finalised. In doing so, the Board will take into account various factors, such as prevailing business and market conditions, cash flows generated by the Group, financing costs of various instruments and other commitments of the Group, including the Expansion Development, being the Group's commitment to renew and refresh its Singapore IR, Resorts World Sentosa. As announced by the Company on 3 April 2019, the Group has committed to invest approximately SGD4.5 billion in connection with the Expansion Development. Construction work is expected to commence in the second half of 2020, with new attractions and business venues unveiled every year over the next five years. The Expansion Development is expected to be funded over its construction period by way of internal resources (including operating cash flows) and/or bank borrowings with Resorts World at Sentosa Pte. Ltd. as the borrower.

It should be noted that, as at 30 September 2019 (the date of the latest unaudited consolidated financial statements of the Group) and 31 December 2018 (the date of the latest audited consolidated financial statements of the Group), the Group's internal cash resources, borrowings, equity and gearing are as follows:

| | Notes | 30 September 2019 | 31 December 2018 |
|---|-----------------|-------------------|------------------|
| Cash and cash equivalents (SGD million) | – | 3,677.9 | 4,214.2 |
| Borrowings (SGD million) | (A) | 271.1 | 1,038.6 |
| Equity (SGD million) | (B) | 7,899.1 | 7,781.3 |
| Total capital (SGD million) | (C) = (A) + (B) | 8,170.2 | 8,819.9 |
| Gearing ratio (%) | (A)/(C) | 3.3 | 11.8 |

As noted above, the Group will take into account its commitments in relation to the Expansion Development when it explores financing structures for the Japan IR project.

2.8.3 Dividend. In undertaking the Japan IR project, the Board will take into consideration, among other things, historical dividend pay-outs, aggregate debt levels and debt servicing commitments of the Group and will endeavour to maintain consistency in dividend pay-outs to Shareholders. Please see **Section 2.9.1(c)** for further information.

2.9 Risk Factors relating to the Proposed Bid

Shareholders should consider carefully, together with all other information contained in this Circular, the factors described below before deciding how to vote on the resolution proposed at the EGM. The risk factors below are intended to highlight the incremental material risks faced by the Group as a result of the Proposed Bid that Shareholders should consider. These risk factors are not intended to be exhaustive.

2.9.1 Risks relating to Japan IR Project

(a) The Japan IR Project may not materialise

Shareholders should note that, at this juncture, there is no certainty that the Japan IR project will materialise. The Japan IR project is part of the Company's strategy to expand into a new geographical market to build on its existing business. However, its ability to engage in the Japan IR project will be subject to, among other things, being successful in its Proposed Bid for the Japan IR project and business, economic, regulatory, labour, competitive and political uncertainties, some of which are beyond the Company's control.

Should the Company win the Proposed Bid and be awarded the Japan IR project, even though it may expend significant time and resources on the Japan IR project, there can be no assurance that the investment it makes will be profitable or yield the anticipated returns. The construction of an IR is highly capital intensive and will take a number of years from construction to full operation. With the time lag between the high capital outlay and the cash flow, in the event that the Japan IR project fails for whatever reason, there may be a material adverse effect on the Group's business, financial condition and prospects.

In addition, any reversal or change in the relevant Japanese governmental policy (including any reversal of a liberalisation of the gaming industry) or any labour disputes, political unrest, economic or financial disturbances in Japan may undermine or cause setbacks to the Group's growth and expansion plans.

(b) The Group may require additional financing for future growth, which may not be available or may only be available on unfavourable terms

Should the Company be successful in the Proposed Bid, significant expenditure will be required to support the construction and operations of the Japan IR project. In such event, the Group will likely need to seek external financing to fund both the Japan IR project and any other projects.

Should the Group not be able to secure banking facilities on commercially reasonable terms, it may not be able to implement its future growth plans fully. Interest charged on these banking facilities may also have a material effect on the Group's financial condition, results of operations and cash flows. Further, any breach by the Group of covenants given in relation to such banking facilities may give rise to rights exercisable by the lenders. Such rights include, among other things, terminating the relevant banking facilities, enforcing any security granted in relation to those banking facilities or accelerating the repayment of the outstanding loan amounts. Thus, any such breaches may have a material and adverse impact on the Group's results of operations and financial position.

Economic downturns may cause disruptions in the commercial credit markets, resulting in a tightening of credit markets worldwide. Liquidity in the global credit markets may severely contract due to these market disruptions, making it difficult and costly to obtain new lines of credit or to refinance existing debt.

In addition, in the event of a general weakening of the global economy, some of the lenders to the Group may suffer losses related to their lending and other financial dealings. As a result, such lenders may face liquidity problems, which could make it more difficult for the Group to borrow or draw on its existing credit facilities. The Group's financial condition, results of operations and/or cash flows could be adversely affected if it is unable to draw funds under the facilities because of a lender's default.

To raise funding from capital markets, whether in addition to or in lieu of bank loans, is subject to market conditions being favourable or supportive of such issuance. There is no assurance that funding could be raised from the capital markets in sufficient amount or on commercially reasonable terms.

These factors may limit the Group's flexibility and ability to utilise external financing to cover all of the anticipated financing needs of the Group. The Group may therefore need to maintain a relatively high level of internally sourced cash. There can be no assurance that additional financing, either on a short-term or a long-term basis, would be available or, if available, that such financing would be obtained on terms favourable to the Group or that any additional financing will not be dilutive to its Shareholders.

(c) The performance of ProjectCo may affect the financial condition, results of operations and/or cash flows of the Company and, in turn, affect the profitability and level of dividend pay-out by the Company

The performance of ProjectCo may affect the financial condition, results of operations and/or cash flows of the Company. There is a risk that ProjectCo is not as financially successful or does not generate the cash flows as anticipated. There is a further risk that ProjectCo is not profitable or is loss-making – for example, in the event of a general weakening of the global or Japan economy, cost overruns, construction delays, equipment problems or other financial and operating difficulties. These would affect ProjectCo's financial condition, results of operations and/or cash flows, as well as ProjectCo's operations and/or ability to service payments under its loan facilities. There may, in turn, be an adverse impact on the financial condition, results of operations and/or cash flows of the Company.

In addition, the present intentions of the Board in relation to dividend pay-outs may be subject to modification, including the reduction or cancellation of any proposed distribution. There can be no guarantee that, in undertaking the Japan IR project, the Company will be able to maintain dividend pay-outs consistent with historical years. The form, frequency and amount of future distributions (if any) on the Shares will depend on the financial condition, results of operations and/or cash flows of the Company, as well as contractual restrictions, provisions of applicable laws and other factors that the Board may deem relevant, some of which may be beyond the Group's control.

(d) ProjectCo's insurance coverage may not cover all losses and liabilities. In addition, its insurance costs may increase and ProjectCo may not be able to obtain similar insurance coverage in the future

ProjectCo will be expected to generally hold insurance coverage as required by applicable regulations and in accordance with common industry practice for the industries in which it operates. ProjectCo may not be able to obtain sufficient insurance coverage to protect it against all material losses, particularly for damages resulting from certain casualty events, such as acts of terrorism, acts of God or acts of war or may not be able to obtain coverage under terms (including premiums payable and deductibles required) which are acceptable to it. ProjectCo's insurance policies may also contain certain exclusions and limitations on coverage that will result in certain claims not being honoured to the full extent of the losses or damages suffered by ProjectCo. Furthermore, the premium of the policies and the coverage provided may be affected by external circumstances, such as natural disasters, global economic conditions and similar events.

In addition, the construction of large scale development projects can be dangerous. Construction workers are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractor and the Group to liabilities, possible losses, delays in completion of the projects and negative publicity. While the Company believes that the Group and its contractors will take safety precautions that are consistent with industry practice, such precautions may not be adequate to avoid such events entirely. There is no assurance that the insurance policies purchased by ProjectCo will provide sufficient protection against all liabilities. As a result, any such event could have a material adverse effect on ProjectCo's business, financial condition and results of operations.

(e) ProjectCo and/or its contractors may face difficulties in finding sufficient labour at an acceptable cost, which could cause delays and increase construction costs of the project

ProjectCo and/or the contractors it retains to construct the Japan IR project may face difficulties and competition in finding qualified construction laborers and managers. Immigration and labour regulations in Japan may make it difficult to obtain sufficient laborers from other countries to make up any gaps in available labour in Japan and to help reduce costs of construction, which could cause delays and increase construction costs of the Japan IR project.

(f) Difficulties and/or delays in construction of the Japan IR

Construction of Japan IRs entails significant risks, including shortages of or increases in price of materials or skilled labour, unforeseen engineering, environmental, health and safety or geological problems, changes to plans and specifications, work stoppages, litigation, weather interference, floods and unforeseen cost increases or other unanticipated circumstances, any of which could give rise to delayed completions or cost overruns.

Further, in the event the Japan IR is developed and constructed on reclaimed land, there is a risk that such land is not suitable for development and construction, resulting in difficulties and/or delays in the construction of the Japan IR.

Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction, launch or completion of, new developments.

ProjectCo may also rely on third party sub-contractors to construct new buildings. Accordingly, it is subject to construction risks such as the failure of sub-contractors to perform their contractual obligations, failure of sub-contractors to bear cost overruns and any other unforeseen circumstances which may have an adverse impact on its financial performance.

(g) Consortium partners' (if any) inability to deliver its obligations or commitments

If the Group undertakes the Japan IR project with consortium partners, there is a risk that if any of its consortium partners is unable to deliver its obligations or commitments, it may cause a delay in the completion of the construction of the Japan IR project and/or result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected. There can be no assurance that ProjectCo will be able to execute the Japan IR project successfully and the performance of any partner in the consortium would not fall short of expectations.

In addition, the consortium agreement will typically contain provisions which require the consent of the consortium partners to be obtained before certain material matters may be undertaken (such as the entry into, amendment or termination of a material contract or the incurrence of material indebtedness or commitment). If the requisite consent of consortium partners is not obtained or is not obtained on a timely basis, there may be delays in the development of the Japan IR project. Such delays would adversely affect the financial condition, results of operations and cashflows of ProjectCo.

(h) ProjectCo will need to recruit a substantial number of new employees before the project can open and competition may limit its ability to attract qualified management and personnel

ProjectCo will require extensive operational management and staff to develop and operate an IR in Japan. The pool of experienced gaming and other skilled and unskilled personnel in Japan or willing to work in Japan may be limited. Many of the new personnel will occupy sensitive positions requiring qualifications sufficient to meet gaming regulatory and other requirements or will be required to possess other skills for which substantial training and experience may be needed. Competition to recruit and retain qualified gaming and other personnel may continue throughout the period of operations of the Japan IR project.

There can be no assurance that ProjectCo will be able to attract and retain a sufficient number of qualified individuals to construct, develop and operate its IR or that costs to recruit and retain such personnel will not increase significantly. The loss of the services of senior managers or the inability to attract and retain qualified employees and senior management personnel could have a material adverse effect on its business.

2.9.2 Legal and Regulatory Risks

(a) ProjectCo's gaming business and interests are subject to laws and regulations governing gaming and other activities in Japan

Gaming is a highly regulated industry in Japan. There are extensive regulations governing various aspects of the gaming industry, ranging from anti-money laundering to limitation of gaming activities among Japanese residents and Japanese citizens. Compliance with these regulations is required on a continuous and periodic basis and is tested and enforced rigorously. IRs incorporating gaming facilities are also a new development in the Japanese market and the regulations governing such activities may be subject to change or be calibrated from time to time as the Japanese regulatory authorities may consider necessary. Regulatory authorities in Japan have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition or limit the gaming or other licences of ProjectCo's casino properties or developments, impose substantial fines or take other actions, any one of which could adversely impact ProjectCo's business, financial condition and results of operations.

It is illegal to operate a casino in Japan without a casino licence from the CMC. As such, the continued operation of the casino, which is an integral part of its business, is dependent on the granting of and ongoing validity of the casino licence issued by the CMC to ProjectCo, which is renewable every three years. Further, MLIT's certification for an IR Area is for a period of 10 years after it is granted, subject to renewal for a further period of five years.

There is no assurance that ProjectCo's casino licence will be renewed at each instance, that it would be able to comply with all of the ongoing requirements of its licence in the future or that the permitted duration of an IR Area for ProjectCo's Japan IR project will be renewed. This could have a material adverse effect on ProjectCo's financial condition, results of operations and cash flows.

Further, there can be no assurance that public attitudes in Japan toward gambling will not shift. In the event the public perceives an unfavourable shift towards gambling, a decline in the public acceptance of gambling in Japan may lead to unfavourable regulation and/or the variation of the entry fees payable by visitors who are domiciled in Japan.

In addition to gaming laws and regulations, ProjectCo will be subject to other non-gaming laws and regulations. No assurance can be given that ProjectCo will not be in breach at any given time of any applicable laws and regulations. Breaches of such laws and regulations may also affect the chances of renewal of casino licence or IR Area duration.

Failure to renew or maintain any required licences, permits or approvals or ProjectCo's inability to satisfy any existing or new laws and regulations or the licence conditions in the future may result in the revocation of licences, permits and approvals, the suspension of operations, the imposition of fines, the imposition of remedial measures or give rise to other liabilities that may result in significant costs, including compliance costs and/or additional capital expenditure. Such liabilities and costs could have a material adverse effect on ProjectCo's business, financial condition and results of operations.

Changes in applicable legislation and regulations or licence conditions may require increased compliance costs and monitoring of activities, changes to ProjectCo's business operations and the implementation of new internal control systems.

(b) ProjectCo's gaming business may be subject to money laundering risks

The gaming industry is cash intensive and generates significant revenues on a daily basis, subjecting it to money laundering risk. Japan, like many other jurisdictions including Singapore, Nevada and New Jersey in the U.S. and Victoria and New South Wales in Australia, has implemented laws and regulations to prevent money laundering. While ProjectCo will take all appropriate steps to comply with applicable anti-money laundering laws and regulations, including to put in place strict procedures and controls to mitigate money laundering risk, it is possible that third parties may attempt to carry out money laundering transactions that ProjectCo may not be able to detect or prevent. In such event, not only ProjectCo's financial condition, but also ProjectCo's reputation, may be adversely affected.

(c) ProjectCo may be involved in legal and other proceedings arising from its operations from time to time

ProjectCo may be involved in disputes with various parties from time to time. These disputes which may involve, among other things, occupier's liability, negligence and business operations, may lead to legal and other proceedings and may cause ProjectCo to incur additional costs and divert management resources. In addition, ProjectCo may in the conduct of its operations have disagreements with regulatory bodies on legal interpretation of laws and regulations, which may subject ProjectCo to administrative proceedings and unfavourable decrees that result in financial losses, and which may delay the completion of the Japan IR project.

2.9.3 Risks relating to Fluctuations in Foreign Currency

It is anticipated that a significant portion of the revenue and operating costs from ProjectCo will be denominated in JPY. ProjectCo will be exposed to material fluctuations in JPY to SGD exchange rate, which may affect the Group's operating results.

As the Group's books of accounts and records are recorded in SGD, any fluctuations in currency exchange rates will also result in exchange gains or losses arising from transactions carried out in JPY as well as translations of JPY monetary assets and liabilities as at the balance sheet dates. All resultant exchange differences will be reflected in the Statement of Comprehensive Income of the financial statements of the Group, either as "Profit or Loss" or as "Other Comprehensive Income".

2.9.4 Risks relating to Competition

(a) ProjectCo's gaming business and interests are subject to intense competition in Japan and the region

The IR Act currently limits the number of IR Areas to three. If the Group succeeds in the bid for the Japan IR project and operates an IR in Japan, ProjectCo may face competition from two other IRs in Japan. After a period of seven years from approval of the first IR Area, the number of IR Areas may be reviewed and increased. Should the number of IR Areas be increased, this may lead to further increased competition within Japan and could adversely affect ProjectCo's financial condition, results of operations and cash flows.

ProjectCo's gaming business and interests are subject to intense competition in Asia and worldwide, including Singapore, Macau, Malaysia, the Philippines, South Korea, Australia and New Zealand, and cruise ships in Asia that offer gaming services. Further, changes in restrictive gaming regulations in various countries could result in the addition of new gaming establishments and resorts located closer to Japan. It is possible that other countries such as Taiwan or Thailand may in the future legalise and/or further liberalise gambling, which could further increase the number of competitors within the Asia Pacific region.

On the wider international front, ProjectCo also faces competition from traditional gaming hubs such as Las Vegas. As such, the proliferation of gaming venues in the region and the high-level of competition across the gaming industry worldwide could have a material adverse effect on the Group's financial condition, results of operations and cash flows.

The businesses of the GENT Group are also primarily focused on the leisure, hospitality and gaming industries. In the event that the other members of the GENT Group decide to further invest or pursue opportunities in the gaming industry through entities other than the Group, ProjectCo may be subject to further competition within the GENT Group to the extent there is an overlap with the target markets of the Group, as a result of which the Group's financial condition, results of operations or cash flows may be adversely affected.

(b) The Group competes with ventures held by or under the control of the Company's Executive Chairman, which may result in conflicts of interest with the Genting Group

The Chairman, TSLKT, is also the Chairman, Chief Executive and a substantial shareholder of GENT, a company listed on Bursa Malaysia. GENT owns a 49.45% interest in GENM, a company listed on Bursa Malaysia which is in the leisure and hospitality business, and a 52.7% interest in the Company. He is also the Chairman, Chief Executive and substantial shareholder of GENM.

TSLKT is also a director of GHL, Joondalup Limited and Goldsfine Investments Ltd and Chairman, Chief Executive Officer, and a substantial shareholder of GENHK, a company listed on the Stock Exchange of Hong Kong Limited. GHL acts as trustee of Golden Hope Unit Trust ("GHUT"), which is ultimately owned by a discretionary trust in which TSLKT, and certain other family members of TSLKT are beneficiaries. GENHK group is principally engaged in the business of cruise and cruise-related operations,

shipyard operations and leisure, entertainment and hospitality activities. TSLKT is also a director of Travellers International Hotel Group, Inc. (“**Travellers**”), which is an associate of GENHK, and was listed on the Main Board of the Philippine Stock Exchange, Inc. until its voluntary delisting in October 2019. Travellers is the developer and operator of Resorts World Manila, an integrated tourism resort in the Philippines.

GHL as trustee of the GHUT indirectly owns 51% of the common stock in Empire Resorts Inc. (“**Empire**”), while GENM indirectly holds the remaining 49% of the common stock in Empire, a company with various subsidiaries engaged in the hospitality and gaming industries. GHL, as trustee of the GHUT, also indirectly owns the Series F Convertible Preferred Stock in Empire.

The Group therefore competes with ventures held by or under the control of TSLKT, which may result in conflicts of interest with the GENT Group. As such, TSLKT may be put into a conflict of interest situation should he be in possession of confidential information as the confidential information may concern new gaming business opportunities which he may be called upon to evaluate for GENT, GENM, the Company, Empire, GENHK or GHL, including in markets which may overlap or compete with ProjectCo’s target markets.

To this end, the Company will comply with provisions with respect to interested party transactions in the Listing Manual, including for TSLKT and his nominees, in his or their capacity as Shareholders, to abstain from voting on such matters if required. In addition, the Group does and will ensure that each director of the relevant Group company, including TSLKT, declares his interests in matters being discussed, deliberated and decided at board meetings and, to the extent conflicted, abstain from decision-making with respect to such matter.

2.9.5 Risks relating to Japan

Natural or man-made disasters, an outbreak of highly infectious disease, terrorist activity or war could adversely affect the number of visitors to the Group’s facilities and disrupt its operations, resulting in a material adverse effect on its business, financial condition, results of operations and cash flows

Japan is vulnerable to natural disasters, such as typhoons and earthquakes, and may experience other natural disasters, man-made disasters, outbreaks of highly infectious diseases, terrorist activity or war may result in decreases in travel to and from, and economic activity in, areas in which ProjectCo operates, and may adversely affect the number of visitors to its IR. Any of these events may also disrupt ProjectCo’s ability to staff its business adequately, could generally disrupt its operations and could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Although ProjectCo may put in place appropriate insurance coverage with respect to some of these events, there can be no assurance that any such coverage will be sufficient to indemnify the Group fully against all direct and indirect costs, including any loss of business that could result from substantial damage to, or partial or complete destruction of, any of ProjectCo’s properties.

3. PROPOSED GRANT OF SPECIAL INCENTIVE AWARDS TO NON-EXECUTIVE DIRECTORS

- 3.1 PSS.** The Company had adopted the PSS in 2007 for a period of 10 years from 8 August 2007 to 7 August 2017 (both dates inclusive) and which was last amended and approved at the Company’s annual general meeting on 21 April 2016 for a further period of 10 years from 8 August 2017 to 7 August 2027 (both dates inclusive).

The Group recognises that it is important to motivate, incentivise and retain Group Executives, Group Executive Directors and Non-Executive Directors whose contributions are essential to the medium-and long-term growth and profitability of the Group. The PSS provides an opportunity for Group Executives, Group Executive Directors and Non-Executive Directors who have contributed and continue to contribute to the development, growth and prosperity of the Group to participate in equity of the Company.

Over the years, the Company had effectively utilised the grant of PSS Share Awards to incentivise, attract and retain the eligible Group Executives, Group Executive Directors and Non-Executive Directors whose contributions were instrumental to the success of the Singapore IR.

The Board intends to grant, after the EGM and with each interested Director abstaining with respect to the grant to himself/herself, PSS Share Awards to eligible Group Executives, Group Executive Directors and Non-Executive Directors for their contributions, continuing contribution and involvement in the Proposed Bid (“**Special Incentive Awards**”).

The vesting of such Special Incentive Awards is subject to and conditional upon the Company being successful in the Proposed Bid: 50% of which shall vest upon the Company being selected by the Japan local government as an IR operator for the city and the balance 50% shall vest upon certification of the IR Area by MLIT.

Accordingly, if the Company does not bid or is not successful in any Proposed Bid, the Special Incentive Awards will not be vested and will lapse.

- 3.2 Grant of Special Incentive Awards to Non-Executive Directors.** Each of the Non-Executive Directors has brought and continues to bring to the Company a wealth of experience in corporate governance, business experience across various disciplines and extensive business networks and expertise. In recognition of the contributions and continuing contribution from the Non-Executive Directors in connection with the submission of a Proposed Bid, the Board intends to grant, subject to **Resolution 2** and with each interested Director abstaining with respect to the grant to himself/herself, the Special Incentive Awards to the Non-Executive Directors.

The Directors seek the approval of Shareholders for the proposed grant of the Special Incentive Awards to the Non-Executive Directors, key details of which are set out below – this is **Resolution 2**.

As noted above, the vesting of the Special Incentive Awards to Non-Executive Directors is subject to and conditional upon the Company being successful in the Proposed Bid. Accordingly, if the Company does not bid or is not successful in any Proposed Bid, the Special Incentive Awards will not be vested and will lapse.

It should be noted that Resolution 1 is not subject to or conditional upon the passing of Resolution 2.

| Term | Details | |
|---|--|--|
| Date of grant | After the EGM, on a date to be determined by the Board. | |
| Consideration payable for the grant of the Special Incentive Awards | None. | |
| Aggregate number of Special Incentive Awards to be granted to all Non-Executive Directors | 500,000 for each Non-Executive Director in office at the time of such grant and who has contributed and continues to contribute to the submission of a Proposed Bid. Based on there being four Non-Executive Directors as at the Latest Practicable Date, the aggregate number of Special Incentive Awards would be 2,000,000. | |
| Number of Special Incentive Awards to be granted to each Non-Executive Director | | Number of Special Incentive Awards proposed to be granted |
| | Name | |
| | Koh Seow Chuan | 500,000 Shares |
| | Jonathan Asherson | 500,000 Shares |
| | Tan Wah Yeow | 500,000 Shares |
| | Chan Swee Liang Carolina | 500,000 Shares |
| Vesting of Special Incentive Awards | Subject to and conditional upon the Company being successful in the Proposed Bid (see Section 3.1 for details). | |

For the avoidance of doubt, the Special Incentive Awards will be issued pursuant to the PSS, which has been approved by the Shareholders. In this regard, the Company is not seeking to establish any new employee share option schemes or share schemes.

4. PROPOSED INCREASE IN LIMIT OF PSS SHARE AWARDS TO CHAIRMAN

4.1 Contributions by Chairman. The Chairman has contributed and continues to contribute invaluable advice and perspective from more than 40 years of experience in the development and operations of IRs for the submission of the Proposed Bid. The Board intends to grant, with the Chairman abstaining, the Chairman an incentive award of SGD35.0 million (“**Chairman’s Incentive Award**”) in recognition of the Chairman’s contributions and continuing contributions to the Company and the Proposed Bid.

As with the Special Incentive Awards, the Chairman’s Incentive Award will be made after the EGM, with vesting of the Chairman’s Incentive Award subject to and conditional upon the Company being successful in the Proposed Bid (see **Section 3.1** for details). Accordingly, if the Company does not bid or is not successful in any Proposed Bid, the Chairman’s Incentive Award will not be vested and will lapse.

4.2 Chairman’s PSS. The Company had, at the annual general meeting on 21 April 2016, approved the grant of PSS Share Awards with respect to the Chairman. The table below sets out the maximum number of PSS Share Awards which may be awarded to the Chairman, as permitted under the Listing Manual¹¹ (**Column (1)**) and the terms of the PSS (**Column (2)**) and as approved by Shareholders on 21 April 2016 (**Column (3)**):

| | Column (1) | Column (2) | Column (3) |
|---|----------------|--------------|---|
| | Listing Manual | Terms of PSS | Approval by Shareholders on 21 April 2016 |
| Number of Shares which may be awarded to Chairman pursuant to the PSS | 42,043,314 | 42,043,314 | 7,500,000 |
| As a percentage of total number of Shares (excluding treasury shares) which may be awarded pursuant to the PSS from 8 August 2017 to 7 August 2027 (both dates inclusive) ¹² | 10% | 10% | 1.8% |

As illustrated, the maximum number of Shares which may be awarded to the Chairman pursuant to the Listing Manual and the terms of the PSS is 10% of the total number of Shares (excluding treasury shares) which may be awarded pursuant to the PSS from 8 August 2017 to 7 August 2027 (both dates inclusive). However, the Company had, at the annual general meeting on 21 April 2016, approved a significantly lower Chairman’s Award Limit of up to 7,500,000 Shares from 8 August 2017 to 7 August 2027 (both dates inclusive) to apply to the Chairman, representing 1.8% of the total number of Shares (excluding treasury shares) which may be awarded pursuant to the PSS from 8 August 2017 to 7 August 2027 (both dates inclusive).

As the PSS does not provide sufficient headroom to give the Chairman’s Incentive Award in Shares in any meaningful extent, the Board, with the Chairman abstaining, proposes to award the Chairman’s Incentive Award in cash, unless Shareholders approve the increase in the Chairman’s Award Limit. In this regard, the Directors seek the approval of Shareholders to increase the Chairman’s Award Limit from 7,500,000 Shares to 42,043,314 Shares – this is **Resolution 3**. It should be noted that:

- it is proposed that the number of Special Incentive Awards to be granted to the Chairman by way of Shares shall be calculated by dividing SGD35.0 million by the 10-Trading Day VWAP (as defined in the Definitions section) but shall not exceed the Chairman’s Award Limit;
- in the event **Resolution 3** is approved, the Chairman’s Incentive Award shall be granted by way of Shares based on such number of Shares as calculated in the manner set out above, with any balance of the Chairman’s Incentive Award not granted in Shares to be granted by way of cash; and
- in the event **Resolution 3** is not approved, the Board reserves the right to grant the Chairman’s Incentive Award fully by way of cash.

Resolution 3, if approved, would allow the Chairman’s Incentive Award to be granted by way of Special Incentive Awards and be settled in Shares (instead of in cash), in the same way as the Special Incentive Awards to be granted to the other recipients, and therefore align his interests more closely with that of the Company and its shareholders.

11 The Chairman is a controlling shareholder of the Company. Under Rule 845(3) of the Listing Manual, the number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme.

12 Being 420,433,143 Shares, representing 3.5% of the total number of Shares of the Company as at 31 January 2016.

Subject to the approval for **Resolution 3**, if and to the extent the Chairman's Incentive Award is made by way of PSS Share Awards, such awards will be made through the grant of the Special Incentive Awards, key details of which are set out below:

| Term | Details | |
|---|--|---|
| Date of grant | After the EGM, on a date to be determined by the Board. | |
| Consideration payable for the grant of the Special Incentive Awards | None. | |
| Number of Special Incentive Awards to be granted to Chairman | Name | Number of Special Incentive Awards proposed to be granted |
| | Tan Sri Lim Kok Thay | The number of Special Incentive Awards to be granted to the Chairman by way of Shares shall be calculated by dividing SGD35.0 million by the 10-Trading Day VWAP but shall not exceed the Chairman's Award Limit. |
| Vesting of Special Incentive Awards | Subject to and conditional upon the Company being successful in the Proposed Bid (see Section 3.1 for details). | |

With respect to any component of the Chairman's Incentive Award which will be made by way of:

- Special Incentive Awards, such award of Shares will be recognised as an expense over the relevant vesting period, in accordance with the Group's accounting policies on share-based compensation benefits, which has been set out in Note 2.14(d) of the audited consolidated financial statements of the Group for FY2018; and
- cash, such award will be recognised as an expense in profit or loss when incurred, in accordance with the Group's accounting policies on short-term employee benefits, which has been set out in Note 2.14(a) of the audited consolidated financial statements of the Group for FY2018.

For the avoidance of doubt, to the extent the Chairman's Incentive Award will be made by way of Special Incentive Awards, such Special Incentive Awards will be issued pursuant to the PSS, save that the Chairman's Award Limit is proposed to be increased pursuant to **Resolution 3**. The increased Chairman's Award Limit will be within prescribed limits set out in Part VIII of Chapter 8 of the Listing Manual. The PSS has been approved by the Shareholders and, in this regard, the Company is not seeking to establish any new employee share option schemes or share schemes.

It should be noted that Resolution 1 is not subject to or conditional upon the passing of Resolution 3.

5. INFORMATION ON EGM

- 5.1 Date and Time.** The EGM will be held on 4 February 2020 at Resorts World Ballroom East, Resorts World Convention Centre, Basement 2, 8 Sentosa Gateway, Resorts World Sentosa, Singapore 098269 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, **Resolution 1**, **Resolution 2** and **Resolution 3**, in each case, as set out in the Notice of EGM. The Notice of EGM is set out on page 73 of this Circular.
- 5.2 Resolutions Proposed.** Each of **Resolution 1**, **Resolution 2** and **Resolution 3** will be proposed as an ordinary resolution – i.e., it will be passed if approved by a simple majority of the votes cast on such resolution at the EGM.
- 5.3 Material Developments.** Following the EGM, the Company will keep Shareholders informed on material developments with respect to the Japan IR project, including in the event of an award of a successful bid.

6. DIRECTORS' RECOMMENDATIONS

- 6.1 Resolution 1 – Proposed Bid for Japan IR Project.** Having considered the rationale for and the risk factors relating to the Proposed Bid for the Japan IR project as set out in this Circular, the Directors are of the opinion that it is in the interests of the Company that the Shareholders authorise the Board to submit the Proposed Bid. Accordingly, the Board recommends that Shareholders **vote in favour** of **Resolution 1** at the EGM.
- 6.2 Resolution 2 – Proposed Grant of Special Incentive Awards to Non-Executive Directors.** Having considered the relevant factors, including the matters set out in **Section 3**, the Directors (other than the Non-Executive Directors) are of the opinion that it is in the interests of the Company that the Shareholders approve the proposed grant of the Special Incentive Awards to the Non-Executive Directors. Accordingly, the Directors (other than the Non-Executive Directors) recommend that Shareholders **vote in favour** of **Resolution 2** at the EGM.

As the proposed grant of the Special Incentive Awards pursuant to **Resolution 2** is proposed to be granted to the Non-Executive Directors, the Non-Executive Directors have abstained from giving their recommendation with respect to **Resolution 2**.

Further, each Non-Executive Director will, to the extent he or she holds Shares as at the date of the EGM, abstain from voting on **Resolution 2**.

- 6.3 Resolution 3 – Proposed Increase in Limit of PSS Share Awards to Chairman.** Having considered the relevant factors, including the matters set out in **Section 4**, the Directors (other than the Chairman) are of the opinion that it is in the interests of the Company that the Shareholders approve the proposed increase in the limit of the PSS Share Awards to the Chairman as set out in **Section 4**. Accordingly, the Directors (other than the Chairman) recommend that Shareholders **vote in favour** of **Resolution 3** at the EGM.

As the proposed increase in the limit of the PSS Share Awards to the Chairman as set out in **Section 4** relates to the Chairman, the Chairman has abstained from giving his recommendation with respect to **Resolution 3**.

Further, the Chairman, who is the Chairman and Chief Executive of GENT, and his son, Lim Keong Hui, who is the Deputy Chief Executive and Executive Director of GENT, will abstain from any and all deliberations and decision-making on the board of GENT with respect to **Resolution 3** and, to the extent they hold Shares as at the date of the EGM, abstain from voting on **Resolution 3**.

6.4 General. Shareholders are advised to read this Circular in its entirety, including the rationale for and the risk factors relating to the Japan IR project. Shareholders are also advised to exercise caution in dealing with the securities of the Company as there is no certainty or assurance that the Company will proceed with the Proposed Bid or, if it does, that it will be awarded the Japan IR project. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

If you are a Shareholder, and wish to but are unable to attend the EGM, you may appoint a proxy to attend and vote on your behalf. To appoint a proxy, please complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to:

- (a) reach the office of the Company's Share Registrar, M&C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
- (b) if submitted by electronic communication (as defined in the Companies Act, Chapter 50 of Singapore), be received,

in each case, not less than 72 hours before the time for holding the EGM, namely, by 11.00 a.m. on 1 February 2020. Completing and returning a Proxy Form will not prevent you from attending and voting in person at the EGM if you subsequently wish to do so.

8. RESPONSIBILITY STATEMENTS

8.1 Directors. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts in respect of **Resolutions 1, 2 and 3**, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

8.2 Financial Adviser. Ernst & Young Corporate Finance Pte Ltd is the Financial Adviser. To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the matters set out in **Resolution 1**, the Company and its subsidiaries, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular in relation to the matters set out in **Resolution 1** misleading.

9. ADDITIONAL INFORMATION

Please refer to **Appendix 2** for certain additional information relevant to the matters and proposals set out in this Circular.

Yours faithfully,
For and on behalf of
the Board of Directors of
GENTING SINGAPORE LIMITED

Liew Lan Hing
Company Secretary

MARKET REPORT



19 November 2019

This report ("**Market Report**"), which contains a discussion on integrated resorts having a casino component, has been prepared for Genting Singapore Limited (the "**Company**") for the purpose of inclusion in a shareholders' circular. This Market Report has been jointly prepared by CIMB Bank Berhad, Singapore Branch ("**CIMB**") and CGS-CIMB Securities (Singapore) Pte. Ltd. ("**CGS-CIMB**").

Cautionary Statement

This Market Report is general in nature. It has been jointly prepared by CIMB and CGS-CIMB (together, the "**Appointed Professionals**") for information purposes only and does not have regard to the specific investment objectives, financial situation or particular needs of any specific person who may receive it. Any reference to past performance is not a guarantee of future performance. The content in this Market Report is not and should not be construed or considered as an offer, recommendation or solicitation by or on behalf of the Appointed Professionals or any of their respective affiliates to buy or sell any securities, investments or other financial instruments or any derivative instrument, or any rights pertaining thereto. The content in this Market Report is not and should not be construed or considered as a recommendation to any party with respect to any vote on any resolution. The information contained in this Market Report is prepared from data believed to be correct and reliable and based on sources that the Appointed Professionals consider to be reasonable, at the time of issuance of this Market Report, and the Appointed Professionals make no representation as to its adequacy, accuracy, completeness, reliability or fairness. The content in this Market Report is not and should not be construed or considered as a forecast or other forward-looking statement on any gaming market, gaming project or gaming company. The Appointed Professionals are under no obligation to update this Market Report in the event of any changes to the information contained herein. The Appointed Professionals and their respective affiliates shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits or damages) arising from any reliance thereon or usage thereof.

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Definitions

In this report, the following definitions apply where the context so admits:

CORPORATIONS AND AGENCIES

| | | |
|---------------------------|---|---|
| “Appointed Professionals” | : | CIMB and CGS-CIMB |
| “CGS-CIMB” | : | CGS-CIMB Securities (Singapore) Pte. Ltd. |
| “CIMB” | : | CIMB Bank Berhad, Singapore Branch |
| “DICJ” | : | Gaming Inspection and Coordination Bureau, Macao SAR |
| “DSEC” | : | Government of Macao Special Administrative Region Statistics and Census Service |
| “JNTO” | : | Japan National Tourism Organization |
| “LVCVA” | : | Las Vegas Convention and Visitors Authority |

GENERAL

| | | |
|-------------------|---|---|
| “6M2018” | : | First six months of the calendar year 2018 |
| “6M2019” | : | First six months of the calendar year 2019 |
| “Avg” | : | Average |
| “c.” | : | Approximately |
| “e.g.” | : | Example |
| “adjusted EBITDA” | : | Adjusted EBITDA, as published by the respective gaming operators |
| “CAGR” | : | Compound annual growth rate |
| “Capex” | : | Capital expenditure |
| “EBITDA” | : | Earnings before interest, income tax, depreciation and amortisation |
| “F&B” | : | Food and beverage |
| “FYE” | : | Financial year end |
| “GGR” | : | Gross gaming revenue |
| “IR” | : | Integrated Resort |
| “IR Area” | : | Integrated Resort area, as the term is used in the Japan IR Act |
| “Japan IR Act” | : | The Integrated Resort Act of Japan |
| “LHS” | : | Left hand side |
| “MICE” | : | Meetings, Incentives, Conferences and Exhibitions |
| “Pax” | : | People |
| “RevPAR” | : | Revenue per available room |
| “ROIC” | : | Return on invested capital stated on a per annum basis |

| | | |
|-----------|---|---|
| “RHS” | : | Right hand side |
| “RWS” | : | Resort World Sentosa |
| “SAR” | : | Special Administrative Region |
| “UNLV” | : | University of Nevada, Las Vegas |
| “USS” | : | Universal Studios Singapore |
| “VIP” | : | VIP (very important person) is generally used to describe a player in a casino who participates in a rolling programme, while “Mass” is used to describe a non-VIP player |
| “vs.” | : | Versus |
| “YoY” | : | Year-on-year |
| “YoY Chg” | : | Year-on-year change |

CURRENCIES, UNITS AND OTHERS

| | | |
|---------------|---|--|
| “%” | : | Per centum |
| “bn” | : | Billion |
| “JPY”, “¥” | : | Japanese yen |
| “m” | : | Million |
| “MOP” | : | Macanese Patacas, the official currency of Macau |
| “MYR”, “RM” | : | Malaysian Ringgit |
| “SGD”, “S\$” | : | Singapore dollars |
| “sqf” | : | Square feet |
| “sqm” | : | Square metres |
| “tr” | : | trillion |
| “USD”, “US\$” | : | United States dollars |

Exchange Rates

In this report, we have translated certain currency amounts into other currencies, to facilitate comparison in currency equivalents. Unless the context otherwise requires, the exchange rates used for these currency translations are as follows:

| | |
|---------|-------|
| USD/JPY | 106.3 |
| USD/SGD | 1.385 |
| USD/HKD | 7.85 |
| HKD/MOP | 1.03 |

1. Introduction

1.1. Executive Summary

The Integrated Resort Act of Japan (the “**Japan IR Act**”) – which legalises casino gambling in up to 3 initial designated integrated resort areas (“**IR Areas**”) – was passed by the Japanese Diet in July 2018. The Japan IR Act presents opportunities to developers, operators and hoteliers, among others, as well as the wider Japanese economy. We believe the integrated resort (“**IR**”) projects in Singapore and Macau provide the most useful comparisons for assessing any of the Japan IR opportunity. Drawing on observations of publicly available information, this report sets out, inter alia, our comparisons of the three markets and illustrates certain hypothetical calculations based on various assumptions for a single Japan IR opportunity, including total capital expenditure of US\$10.0 billion, total IR revenue per annum of between US\$5.5 billion and US\$7.2 billion, and ROIC of between 16.3% and 21.4% per annum.

Please note that all hypothetical calculations and assumptions in this report are purely for illustrative purposes only and should not be read or construed as a forecast, prediction or projection of the expected future returns of any of the Japan IR projects.

1.2. Scope of this Report

The Japan IR Act provides only a framework and not all the specifics for operating an IR in Japan. These specifics will be dealt with in detailed regulations to be published by the central government – including through the Casino Management Committee (“**CMC**”) provided for in the Japan IR Act – and as part of the bidding procedures to be determined by local governments.

To assist the reader in assessing a Japan IR opportunity, this reports sets out a discussion of certain key jurisdictions that have IR projects that can be considered as useful benchmarks. For this purpose, we discuss principally the Singapore and Macau markets – we believe these markets provide the most useful comparisons to a Japan IR opportunity – and to some extent the Las Vegas (Clark County) and Malaysia markets. We discuss certain key drivers of IR revenues in these markets – for both the gaming and non-gaming segments – and compare these to the relevant metrics currently available for Japan. We also discuss historical return on invested capital (“**ROIC**”) data for the Singapore and Macau markets, and certain key drivers for those returns.

Key drivers of IR revenues. IR revenues comprise revenues from both the gaming and non-gaming segments. For both segments, the number of visitors to the IR is a common key driver of revenues. This in turn is a function of:

- (i) international visitation, and
- (ii) the size of the local population and its purchasing power, and the propensity of the local population for domestic travel.

In addition, each of the gaming and non-gaming segments has its particular key drivers, as discussed below.

- **Gaming segment of IRs.** Additional key factors driving the gross gaming revenues (“**GGR**”) for a market include: (a) the number of permitted casinos and casino floor space, (b) the number and proportion of VIP versus Mass players, and (c) access to liquidity for players to fund gaming activities (e.g. money flows/junkets).
- **Non-gaming segment of IRs.** The key driver for the non-gaming segment of an IR will be the non-gaming facilities that are provided. The non-gaming facilities may comprise hotels, convention and exhibition centres, and/or resort, amusement and leisure facilities. The expected percentage contribution of non-gaming revenues to the overall IR revenues will be heavily influenced by the IR regulatory framework. A regulatory framework that places more focus on the non-gaming elements will require IR operators to invest more heavily in this area.

Key drivers of IR returns. Many factors affect the returns of an IR project; hence, we do not attempt to set out a full list of returns drivers. The non-gaming segment of an IR will compete with other comparable offerings or attractions in that market. For the gaming segment, two key drivers of returns discussed below are: (i) the competitive environment, and (ii) the gaming tax regime.

Please note that in this report, we use ROIC as a metric for comparing returns. For this purpose, we define ROIC as adjusted EBITDA (for the specified year) divided by the initial capital expenditure in respect of the IR projects. This metric is subject to various limitations, including that: (a) the EBITDA for a mature IR project will generally be higher than for an IR project in its early years of operation, and (b) the initial capital expenditure for an IR project undertaken more recently will generally be higher than for older IR projects, given the effects of inflation. Hence, readers should not place undue reliance on this returns metric.

Benchmarking against the Singapore and Macau markets. We make several observations from the discussion set out in this report comparing a Japan IR opportunity to the existing Singapore and Macau markets: (i) based on the Japan IR Act, the Japan regulatory framework is similar to Singapore's in several respects, (ii) given the restriction in the Japan IR Act, which provides for only up to three IRs initially, the competitive environment for the Japan IRs is expected to be more similar to Singapore than Macau, (iii) in terms of the addressable market, however, as discussed below we note that Japan appears more similar to Macau than Singapore, and (iv) the gaming tax regime is a key driver of returns from the gaming segment; in this context, we show two hypothetical calculations below (under "Sensitivity analysis on ROIC") of how the gaming tax regime affects returns. In addition, we note that while casinos are currently prohibited in Japan, the Pachinko/Pachislot games are existing popular forms of gaming entertainment available in Japan, and that this is currently a large market that caters primarily to the local population.

2. How Japan compares to Existing IR Markets

Figure 1 compares certain key metrics for the Singapore and Macau markets to Japan. A discussion of certain salient points is set out below, with further details set out in the discussion contained in this report.

| Figure 1: Comparison of Singapore and Macau markets to Japan (based on FY2018) | | | |
|---|--|---|---|
| Metrics | Singapore | Macau | Japan |
| Properties | 2 | 41 | Up to 3 IRs, at first |
| Estimated initial capex | S\$14.6bn (US\$10.5bn) for the 2 IRs | 2006-2011 Properties: Average US\$1.7bn 2012 and after Properties: Average US\$3.5bn | Media reports have estimated that the costs of a Japan IR in a top tier city would start from US\$10bn |
| Gaming regulation | Strict - annual/daily levies for locals and no junkets. | Junket commission capped at 1.25% of rolling chip | Strict - annual/daily levies for locals and no junkets. |
| Gaming tax | VIP = 5% tax rate (8-12% after Mar-22); Mass = 15% tax rate (18-22% after Mar-22) | 39% of GGR | 30% of GGR, plus an amount to defray CMC operational costs |
| 2018 International visitors (m) | 18.5 | 35.8 | 31.2 |
| 2018 Local population (m) | 5.6 | 0.7 | 126.4 |
| 2018 Gross National Income (GNI) per capita | US\$58,770 | US\$78,320 | US\$41,340 |
| Hotel rooms | 4,650 (average 2,325 rooms/IR) | 32,000 4/5 star rooms (average 2300 rooms/IR; based on 14 IRs) | Japan IR Act mandates hotel guest-room area of at least 100,000 sqm (1.1m sq ft). Osaka IR targets at least 3,000 rooms for its IR. |
| Other amenities | MICE facilities, performance centres, amusement park | MICE facilities, performance centres, amusement parks | Osaka IR targets an international convention center with maximum room capacity of 6,000 people or more; up to 12,000 people throughout the facility. It also wants an exhibition area of 100,000 sqm or more. |
| 2018 Gross gaming revenue | Estimated S\$6.1bn (US\$4.4bn) | US\$37.5bn | |
| 2018 Net gaming revenue | S\$4.6bn (US\$3.3bn) (c.69% of total revenue) | US\$30.2bn (c.88% of total revenue) | |
| 2018 Non-gaming revenue | S\$2.1bn (US\$1.5bn) (c.31% of total revenue) | US\$4.3bn (c.12% of total revenue) | |
| 2018 Non-gaming revenue split | Hotel: estimated 37% F&B/Convention: estimated 41% Attraction: estimated 22% | Hotel: 40% F&B/Convention: 33% Mall: 27% | |
| 2018 EBITDA margin ¹ | 53% | 28% | |
| 2018 Average ROIC ² | 24% | 2006-2011 Properties: 54% 2012 and after Properties: 14% | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, GOVERNMENTAL SOURCES

Notes:

- 1) EBITDA margin for each of the Singapore and Macau markets is calculated as the cumulative EBITDA for 2018 for the Singapore and Macau properties, respectively, divided by the respective cumulative total revenues.
- 2) Average ROIC as shown in the table above is calculated as adjusted EBITDA for 2018 divided by the initial capital expenditure.

2.1. Total Revenues

In 2018, total revenues (comprising net gaming and non-gaming revenues) for:

- (i) Singapore, from its 2 properties having casinos, was an estimated US\$4.8bn, with the split between net gaming revenue and non-gaming revenue estimated at 69%:31%.
- (ii) Macau, from its 41 properties having casinos, was an estimated US\$34.5bn, with the split between net gaming revenue and non-gaming revenue estimated at 88%:12%.

Japan's regulatory framework. The Japan IR Act provides for only up to three IRs initially, with one casino per IR. The Japan IR Act provides a regulatory framework that is similar to Singapore's in several respects: (i) the casino gambling conducted in IR areas will be highly regulated, (ii) the IRs will consist of not only gaming facilities, but have a heavy focus on non-gaming facilities, and (iii) significant restrictions on junket activities. These requirements, which are generally stricter than those that apply in the Macau market, would skew the revenue split more toward non-gaming revenues.

Visitorship for Singapore/Macau/Japan. In terms of the addressable market for the IRs, we note that Singapore had a local population of around 5.6m people and had international visitation of 18.5m people in 2018. We estimate that over 70% of the Singapore IRs' total revenues could have come from international visitors.

For Macau, it has a small local population of around 0.7m compared to international visitation of 35.8m people in 2018. The bulk of the Macau IRs' revenues are from the international visitors, of which around 71% came from Mainland China in 2018.

For Japan, the addressable market for the Japan IRs will come from both the local population and international visitation. We note that Japan is one of the top 20 most populous countries in the world, with an estimated local population of 126.4m people. It also recorded high international visitation of 31.2m people in 2018.

Domestic tourists, including day-trippers, are expected to form part of the addressable market for a Japan IR. In this respect, there is some similarity to the Malaysia market, where the local population (including day-trippers) form a sizable part of the visitors to the IR.

Japan's existing Pachinko/Pachislot market. Pachinko (Japanese pinball) and Pachislot (slot machine in Pachinko parlours) are the most popular forms of gaming entertainment currently available in Japan. An estimate of the Pachinko and Pachislot industry's total revenue in 2017 is approximately US\$27.5bn.

Non-gaming revenue composition. The non-gaming revenue split for Singapore IRs in 2018 was 37% for the Hotel category, 41% for F&B/Convention and 22% for Attractions. For Macau, the non-gaming revenue split in 2018 was 40% for the Hotel category, 33% for F&B/Convention and 27% for Mall. For this purpose, we use only Macau properties that we believe would be comparable to that of a Japan IR in scale and amenities.

2.2. Historical Returns and Key drivers

As noted above, the ROIC metric we show in Figure 1 is subject to various limitations. Nonetheless, some useful points can be drawn from the historical returns calculated:

- The Singapore IRs, which were both opened in 2010, have an average ROIC of 24% in 2018. This is: (i) lower than for the Macau properties which were opened between 2006 to 2011; as a group, these Macau properties have an average ROIC of 54% in 2018, but (ii) higher than for the Macau properties which were opened in 2012 or after, which have an average ROIC of 14% in 2018.

The lower average ROIC for the newer Macau properties is due to higher initial capital expenditures, a maturing gaming market and increased competition among IRs. The Macau properties which opened between 2006 and 2011 had an average initial capital expenditure of US\$1.7bn, compared to US\$3.5bn for those opened in 2012 or after.

- The Singapore properties' ROIC was driven by a higher EBITDA margin compared to Macau. For 2018, the Singapore properties recorded an EBITDA margin of 53% compared to the Macau properties with EBITDA margin of 28%. The higher EBITDA margin in Singapore was due to, among others: (a) lower gaming tax compared to Macau (as shown in Figure 1), and (b) a lower proportion of VIP versus Mass revenue compared to Macau (estimated that VIP revenue has lower margin relative to Mass).

Key drivers of returns. We discuss two key drivers of returns for the gaming segment:

- (i) **The competitive environment.** The Singapore market is characterised by a less competitive gaming environment compared to Macau. The two casinos in Singapore are located in the two IRs, each of which offers differing propositions in terms of the non-gaming attractions. This compares to the 41 casinos operating in Macau as at end-2018.

In this regard, the Japan market is expected to be more similar to Singapore. The Japan IR Act provides for only up to three IRs initially, with one casino per IR. In addition, the casino area in an IR must be limited to not more than 3% of the size of the entire IR facility.

- (ii) **Gaming tax regime.** As noted above, the Singapore properties generally have a higher EBITDA margin compared to Macau, due in part to a lower gaming tax. The gaming taxes applicable to the Singapore IRs are currently: 5% tax rate for the VIP segment and 15% tax rate for the Mass segment (in each case, the percentages are applied against the GGR), plus a GST of 7%. This compares to the gaming tax in Macau at 39% of GGR.

For Japan IRs, the gaming tax is expected to be higher than Singapore but lower than Macau. The Japan IR Act provides for a casino levy that comprises: (a) 30% of GGR, plus (b) part of the operational costs of the Casino Management Committee (amount to be confirmed).

Sensitivity analysis on ROIC. We show below two hypothetical calculations for a single Japan IR opportunity based on its competitive environment and gaming tax regime:

(i) Scenario 1. We reference the Singapore market. As noted above, the Japan regulatory framework is similar to Singapore's in several respects. Hence, we use the Singapore IRs as the main benchmark for comparison.

(ii) Scenario 2. We reference the Macau market. In terms of the addressable market, we note that Japan with 31.2m international visitors in 2018 (and local population of 126.4m people) is more similar to Macau with 35.8m international visitors, than to Singapore with 18.5 m international visitors (and a local population of 5.6m people). The main addressable market for Macau is the neighbouring Guangdong province in China, given its proximity and ease of travel to Macau. Guangdong province has an estimated population of 113.5m people.

Osaka as a proxy for Japan. Given the Osaka local government has been the most advanced in its IR plans, we use Osaka as a proxy for the Japan IR. We note that the estimated capex outlay for the Osaka IR is extensive – media reports have estimated that the costs of an Japan IR in a top tier city would start from US\$10bn; whilst the Osaka IR Fundamental Plan (Draft) envisages an investment amount of approximately JPY930bn (US\$8.7bn). A main addressable market for Osaka is the greater Kansai region (in which Osaka city is located) with an estimated population of 24.4m people.

Assuming a gaming tax of 30% for Japan, we set out below a sensitivity analysis on ROIC using: (i) the Singapore IRs as the main benchmark (Scenario 1), and (ii) the Macau market as a reference point for addressable revenue (Scenario 2).

Figure 2: Sensitivity analysis on ROIC: Scenario 1

| <i>(In US\$bn)</i> | | Rationale |
|---------------------------------|-------|---|
| Assumed GGR ¹ | 6.1 | Using estimated combined GGR for the Singapore IRs in their first full year of operation in 2011. |
| Net gaming revenue | 4.3 | Assuming Osaka will have a similar estimated VIP vs. Mass split as Singapore. Hence, we assume total commissions to be 29% of GGR (to derive net gaming revenue), similar to the estimated commission level in Singapore in 2011. |
| Non-gaming revenue | 1.2 | We assume Osaka will have a similar estimated net gaming to non-gaming revenue split as the Singapore IRs in their first full year of operation in 2011, i.e. 79%:21%. |
| Total revenues | 5.5 | - |
| Gaming tax | (1.8) | Assumed gaming tax in Japan at 30% of GGR. |
| Operating costs | (2.0) | Assume operating costs at 37% of Total revenues, similar to estimated operating costs Singapore in 2011. |
| EBITDA | 1.6 | - |
| EBITDA margin | 29.6% | - |
| Assumed initial capex for Osaka | 10.0 | Based on media reports' estimates of the costs of a Japan IR in a top tier city. |
| ROIC | 16.3% | - |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, MEDIA REPORTS

Figure 3: Sensitivity analysis on ROIC: Scenario 2

| <i>(In US\$bn)</i> | | Rationale |
|---------------------------------|-------|---|
| Assumed GGR | 8.1 | To derive GGR per capita of the assumed main addressable market, we divide Macau's GGR of US\$37.5bn in 2018 by Guangdong province's population of 113.5m people and apply the ratio to the greater Kansai region's population of 24.4m people. |
| Net gaming revenue | 5.7 | Assuming total commissions at 29% of GGR (similar to Scenario 1). |
| Non-gaming revenue | 1.5 | Assuming net gaming to non-gaming revenue split of 79%:21% (similar to Scenario 1). |
| Total revenues | 7.2 | - |
| Gaming tax | (2.4) | Assumed gaming tax in Japan at 30% of GGR. |
| Operating costs | (2.7) | Assuming operating costs at 37% of Total revenues (similar to Scenario 1). |
| EBITDA | 2.1 | - |
| EBITDA margin | 29.6% | - |
| Assumed initial capex for Osaka | 10.0 | Based on media reports' estimates of the costs of a Japan IR in a top tier city. |
| ROIC | 21.4% | - |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, MEDIA REPORTS

Notes:

1) Based on estimated combined GGR of S\$7.7bn, translated at the average USD/SGD exchange rate in 2011 of 1.2573.

The calculation shown above is merely a hypothetical calculation, and should not be read or used as a forecast, prediction or projection of the expected future returns of any of the Japan IR projects.

3. Japan Market

3.1. Features of Japan integrated resorts

The Japan IR Act ►

Certain key features of the Japan IR Act are set out in the table below.

Figure 4: Certain key features of Japan IR Act

| Item | Description |
|---|---|
| Number of IR Areas | Limited to three (3) for the time being |
| Supervising Authority | The Ministry of Land, Infrastructure and Transportation |
| Duration of IR Areas | 10 years with renewal every 5 years |
| Size of Casino Areas | Limited to 3% of the size of the entire IR facility |
| Number of Casinos | One casino per IR Area |
| Supervising Authority | Casino Management Committee ("CMC") to be set up by the Cabinet Office |
| Duration of Licence | 3 years with renewal every 3 years |
| Casino Levy | (i) 30% of GGR (ii) A portion of the operational costs of the CMC (amount to be confirmed) |
| Entry Restrictions (Frequency of Entry) | (i) Japanese citizens and residents (collectively, "Japanese Residents"), up to: (a) 3 times in a consecutive 7-day period, and (b) 10 times in a consecutive 28-day period. (ii) Others: No entry restrictions. |
| Applicable Entrance Fee | (i) Japanese Residents: JPY6,000 per admission (24 hours) (no annual admission fees). (ii) Others: No entrance fees. |

SOURCE: JAPAN IR ACT, MEDIA REPORTS

The next step in Japan's regulatory process is announcement by the central government of its IR Basic Policy law and the creation of the Casino Management Commission.

Local governments' IR plans ►

Among the major cities in Japan, thus far the Osaka and Yokohama local governments have stated their interest to host an IR.

The Osaka local government published an "Osaka IR Fundamental Plan (Draft)" in early 2019 that outlined the business model for the Osaka IR as shown in Figure 5. The vision is to build a world-class growth orientated IR, with a focus to develop the tourism industry.

Figure 5: Osaka IR Fundamental Plan (Draft)

| Description | |
|----------------------|--|
| Land area | Approximately 60 hectares |
| Investment amount | JPY930bn (USD8.7bn) |
| Size of facilities | Total floor area of 1m sqm |
| No. of visitors/year | 15m visitors/year |
| Annual gross revenue | JPY480bn/year (USD4.5bn) |
| Non-gaming revenue | JPY100bn/year (USD0.9bn) |
| Gaming revenue | JPY380bn/year (USD3.6bn) |
| Candidate site | Yumeshima island in the Osaka Bay Area |

SOURCE: OSAKA PREFECTURAL GOVERNMENT

3.2. Domestic demographics

Japan is one of the top 20 most populous countries in the world, with a population of approximately 126.4m people in 2018. Japan consists of 47 prefectures and 8 regions. The 10 most populated prefectures (including Tokyo, Kanagawa, Osaka and Hokkaido) have above 3m people individually and account for 57% of Japan's population. Tokyo had the largest population at 13.8m in 2018, followed by Kanagawa at 9.2m and Osaka at 8.8m. The greater Kansai region (which comprise the prefectures of Osaka, Hyogo, Kyoto, Mie, Shiga, Nara, Wakayama, Fukui, Tokushima and Tottori) had an estimated population of 24.4m in 2018.

Figure 6: Historical population by prefecture

| Prefecture | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total (Pax (m)) | 128.1 | 128.0 | 128.1 | 127.8 | 127.5 | 127.3 | 127.1 | 127.1 | 126.9 | 126.7 | 126.4 |
| Tokyo | 13.0 | 13.0 | 13.2 | 13.2 | 13.2 | 13.3 | 13.4 | 13.5 | 13.6 | 13.7 | 13.8 |
| Kanagawa | 9.0 | 9.0 | 9.0 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.2 | 9.2 |
| Osaka | 8.8 | 8.9 | 8.9 | 8.9 | 8.9 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 |
| Aichi | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 |
| Saitama | 7.1 | 7.2 | 7.2 | 7.2 | 7.2 | 7.2 | 7.2 | 7.3 | 7.3 | 7.3 | 7.3 |
| Chiba | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 | 6.3 |
| Hyogo | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Hokkaido (P) | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.4 | 5.4 | 5.4 | 5.4 | 5.3 | 5.3 |
| Fukuoka | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 |
| Shizuoka | 3.8 | 3.8 | 3.8 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 | 3.7 |
| Ibaraki | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Hiroshima | 2.9 | 2.9 | 2.9 | 2.9 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| Kyoto | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Miyagi | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| Niigata | 2.4 | 2.4 | 2.4 | 2.4 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 |
| Nagano | 2.2 | 2.2 | 2.2 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| Gifu | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Gunma | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Tochigi | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 |
| Okayama | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Fukushima | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Mie | 1.9 | 1.9 | 1.9 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Kumamoto | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Kagoshima | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.6 | 1.6 | 1.6 | 1.6 |
| Okinawa | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Shiga | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Yamaguchi | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Ehime | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Nagasaki | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 |
| Nara | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 |
| Aomori | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Iwate | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 |
| Oita | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 |
| Ishikawa | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 |
| Yamagata | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Miyazaki | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Toyama | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Other prefectures <2m pax | 8.6 | 8.5 | 8.5 | 8.4 | 8.4 | 8.3 | 8.2 | 8.2 | 8.1 | 8.0 | 8.0 |

SOURCES: STATISTICS BUREAU OF JAPAN

3.3. International visitation to Japan

According to the Japan National Tourism Organization (“JNTO”), between 2008 and 2018 inbound international travelers to Japan grew at a CAGR of approximately 14% from 8.4m in 2008 to 31.2m in 2018. The Japan government has set targets for annual visitors to hit 40m and 60m in 2020 and 2030 respectively (2018:31.2m; 6M2019:16.6m) representing a CAGR of 13.2% and 4.1% from 2018 to 2020 and 2020 to 2030 respectively.

Asia has been the main contributor of Japan’s international visitors with the 4 largest inbound visitors in Asia being from China, South Korea, Taiwan and Hong Kong. In 2018, Asian travelers accounted for 85.8% of international travelers to Japan, with China, South Korea, Taiwan and Hong Kong accounting for 73.4%.

The estimated inbound international travelers in June 2019 was approximately 2.9m (+6.5% year-on-year), taking 6M2019 international traveler count to approximately 16.6m (+4.6% year-on-year versus 6M2018). In 6M2019, spending volume by inbound tourists increased by 8% year-on-year.

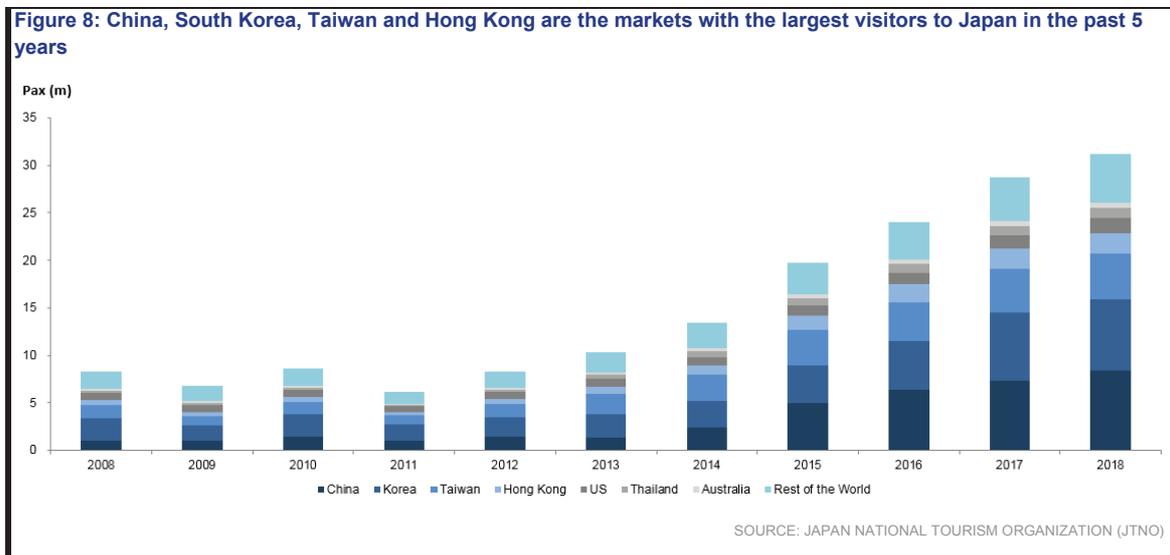
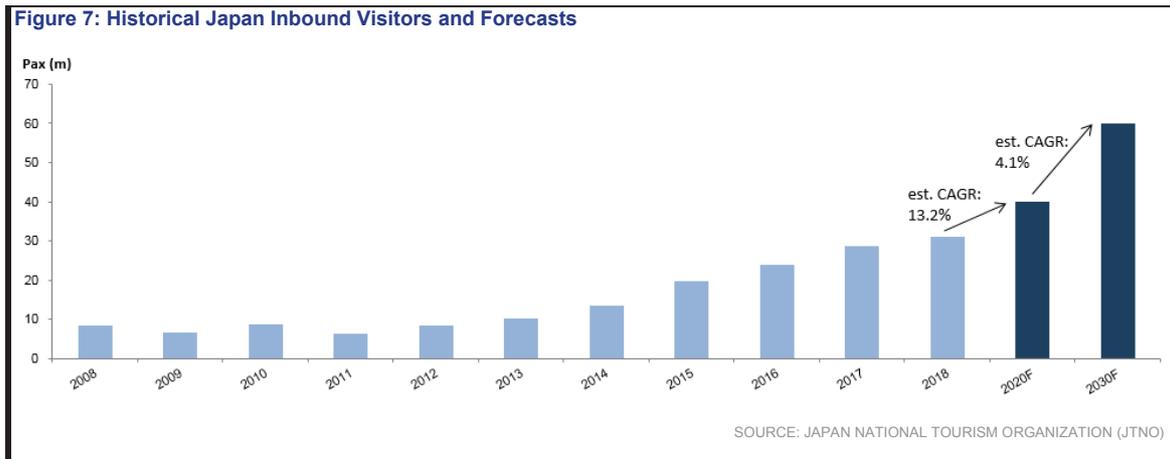


Figure 9: Japan Inbound Visitors

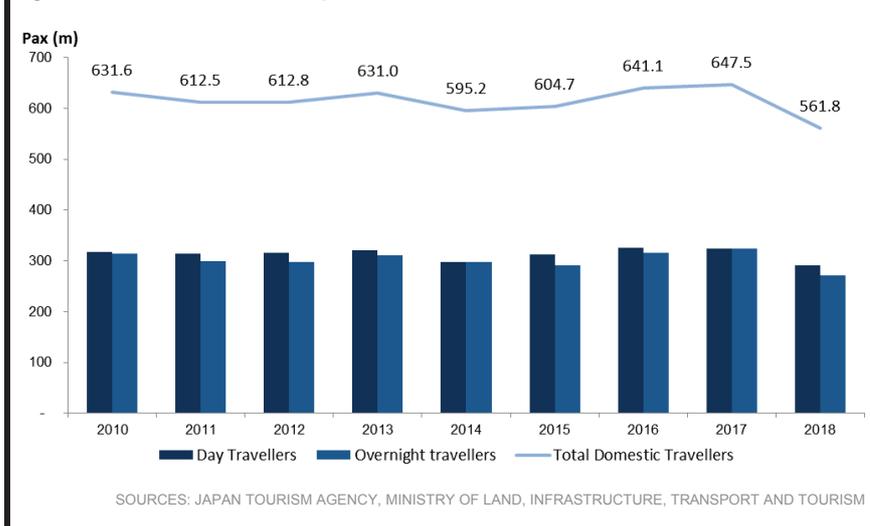
| Visitor Arrival (Pax) | Jun-19 | Jun-18 | yoy | 6M19 | 6M18 | yoy |
|-----------------------|------------------|------------------|-------------|-------------------|-------------------|-------------|
| Total | 2,880,000 | 2,704,631 | 6.5% | 16,633,582 | 15,899,063 | 4.6% |
| China | 880,700 | 760,949 | 15.7% | 4,532,549 | 4,056,483 | 11.7% |
| South Korea | 611,900 | 606,162 | 0.9% | 3,862,697 | 4,016,370 | -3.8% |
| Taiwan | 461,100 | 456,895 | 0.9% | 2,480,827 | 2,505,764 | -1.0% |
| Hong Kong | 209,000 | 205,549 | 1.7% | 1,097,852 | 1,110,637 | -1.2% |
| U.S.A. | 175,500 | 161,736 | 8.5% | 875,171 | 774,129 | 13.1% |
| Others | 98,600 | 85,361 | 15.5% | 634,237 | 583,378 | 8.7% |
| Thailand | 63,000 | 73,642 | -14.5% | 683,654 | 606,665 | 12.7% |
| Indonesia | 49,300 | 56,157 | -12.2% | 215,876 | 214,121 | 0.8% |
| Singapore | 47,300 | 39,975 | 18.3% | 214,169 | 199,719 | 7.2% |
| Philippines | 46,800 | 37,354 | 25.3% | 295,100 | 275,571 | 7.1% |
| Australia | 37,300 | 35,782 | 4.2% | 326,900 | 295,339 | 10.7% |
| Vietnam | 35,400 | 29,476 | 20.1% | 253,228 | 194,251 | 30.4% |
| Malaysia | 30,500 | 36,462 | -16.4% | 237,866 | 236,177 | 0.7% |
| United Kingdom | 25,800 | 22,550 | 14.4% | 185,655 | 169,248 | 9.7% |
| Canada | 25,400 | 23,914 | 6.2% | 183,732 | 165,774 | 10.8% |
| France | 21,300 | 19,381 | 9.9% | 160,330 | 149,197 | 7.5% |
| Germany | 15,700 | 14,421 | 8.9% | 118,530 | 106,090 | 11.7% |
| India | 15,400 | 12,485 | 23.3% | 92,967 | 80,508 | 15.5% |
| Italy | 11,400 | 11,044 | 3.2% | 74,848 | 66,565 | 12.4% |
| Spain | 9,800 | 8,288 | 18.2% | 51,489 | 46,662 | 10.3% |
| Russia | 8,800 | 7,048 | 24.9% | 55,905 | 46,415 | 20.4% |

SOURCE: JAPAN NATIONAL TOURISM ORGANIZATION (JTN)

3.4. Domestic travel in Japan

According to the OECD, domestic tourism accounted for approximately 80% of the tourism economy in Japan in 2016. The number of Japanese people who travelled within Japan in 2010-2018 was above 560 million people per annum.

Figure 10: Domestic travel in Japan



SOURCES: JAPAN TOURISM AGENCY, MINISTRY OF LAND, INFRASTRUCTURE, TRANSPORT AND TOURISM

3.5. Existing gaming opportunities

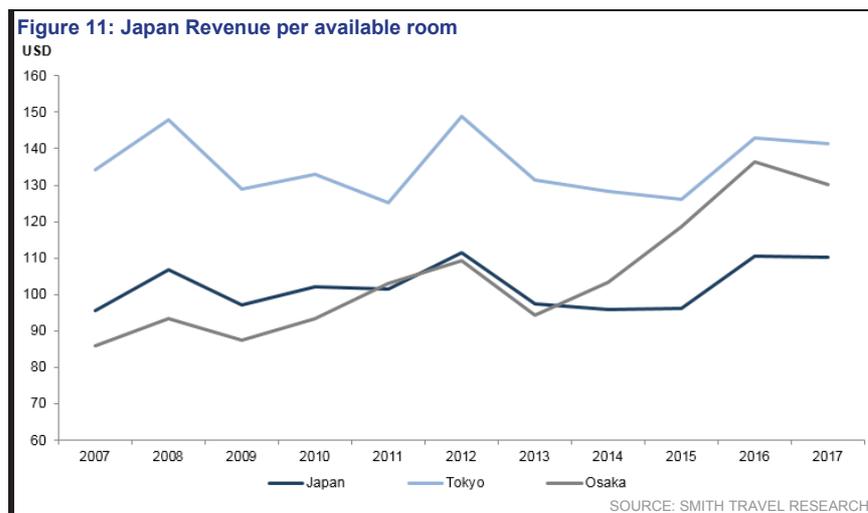
The most popular forms of gaming entertainment available in Japan are Pachinko (Japanese pinball) and Pachislot (slot machine in Pachinko parlours). According to Dynam Japan Holdings Co., Ltd. (one of the largest Pachinko hall operator), Pachinko resembles a pinball machine stood vertically. Small metal Pachinko balls are shot continuously toward the playing field of the machine. Several Pachinko balls can be earned when a Pachinko ball falls into a pocket. Pachislot is similar to the slot machines found in a casino. Inserting a token and hitting a lever rotates a reel — a spinning body on which images are displayed. Once the reel stops, the player can earn more tokens if the reel images are aligned.

According to a White Paper on the Leisure Industry 2018 by the Japan Productivity Centre, the Pachinko and Pachislot industry recorded a total volume played of ¥19.5tr (US\$183bn) in 2017. Applying an estimated hold ratio for the house for Pachinko/Pachislot of 15%, the estimated total revenue in 2017 would be US\$27.5bn. The existing Pachinko/Pachislot industry caters primarily to the local market.

3.6. Non-gaming segment – Hotel, Convention and Retail space

The Japanese government has highlighted that IRs must also consist of non-gaming elements, for example hotels, convention and exhibition centres, and/or resort, amusement and leisure facilities.

Japan’s hotel industry has flourished with the increase in foreign tourists to Japan. The range of hotels is wide including Japanese and Western styles hotels, including some unconventional formats such as capsule hotels and temple lodgings. According to CBRE in a June 2019 report, the forecast number of hotel rooms opening in the nine major cities across Japan, between 2019 and 2021, has increased 2.5 times over the past year, from around 30,000 to 80,000. This is equal to 24% of the existing total number of rooms (as at end-2018). On a RevPar basis, Tokyo and Osaka has recorded a higher RevPar compared to the Japan average.



According to the Global Association of the Exhibition Industry, in 2017, Japan had a total venue space available of 365,575 sqm over 12 venues representing 1.1% of global venue space available, and 4.4% of regional venue space available. Top 10 venues included Tokyo Big Sight, Makuhari Messe and Intex Osaka which had indoor exhibition space of below 100,000 square meters each.

In contrast, Osaka wants an international convention center with a max capacity of 6,000 people and up to at least 12,000 people throughout the facility or more. It also wants an exhibition area of approximately 100,000 square meters, larger than any existing hall now in Japan.

Figure 12: Top 10 venues in Japan

| Location | Name of venue | Indoor exhibition space (sqm) |
|------------|--|-------------------------------|
| 1 Tokyo | Tokyo Big Sight (Tokyo International Exhibition Center) | 95,420 |
| 2 Chiba | Makuhari Messe (Nippon Convention Center) | 72,000 |
| 3 Osaka | Intex Osaka | 70,079 |
| 4 Nagoya | Port Messe Nagoya (Nagoya International Exhibition Hall) | 33,946 |
| 5 Yokohama | Pacifico Yokohama | 20,000 |
| 6 Ishikawa | Ishikawa Prefectural Industrial Exhibition Hall | 17,718 |
| 7 Kobe | Kobe International Exhibition Center | 14,812 |
| 8 Tokyo | Sunshine City Convention City | 12,513 |
| 9 Fukuoka | Marine Messe Fukuoka | 9,100 |
| 10 Sendai | Miyagi Exhibition Center | 7,910 |

SOURCES: GLOBAL ASSOCIATION OF EXHIBITION INDUSTRY

4. Singapore Market

4.1. Background and visitation trends

Singapore legalized gaming by way of the government's approval of the development of two integrated resorts, which combine casinos with other entertainment facilities, at Sentosa and Marina Bayfront on 18 April 2005.

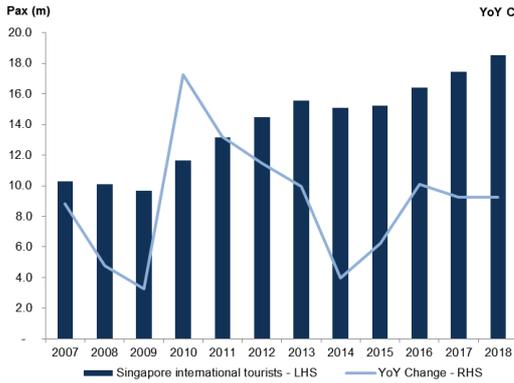
There are only two licensed integrated resorts in Singapore – Resorts World Sentosa and Marina Bay Sands. The Singapore IR industry is highly regulated. The main rules in Singapore are:

- Entry fees are levied on Singapore citizens and permanent residents at S\$100 for every 24 hours in the casinos and S\$2,000 annual membership. In April 2019, these casino entry levies were raised by 50%: to S\$150 for the daily levy and S\$3,000 for the annual levy, with a 5-year moratorium.
- Approved Gaming Area (AGA) was capped at 15,000 sqm and allowed gaming machines were capped at 2,500 for each property.
- Casino and Independent Market Agents are prohibited from extending credit to Singapore citizens and permanent residents, unless they are premium players as defined in the gaming laws.

The Singapore IRs have had no significant upgrades and capacity increase(s) post both properties being built in 2010. In April 2019, both IRs announced they would be embarking on property upgrades which cost a cumulative S\$9bn (S\$4.5bn each) and would involve extensive overhauls to respective non-gaming offerings.

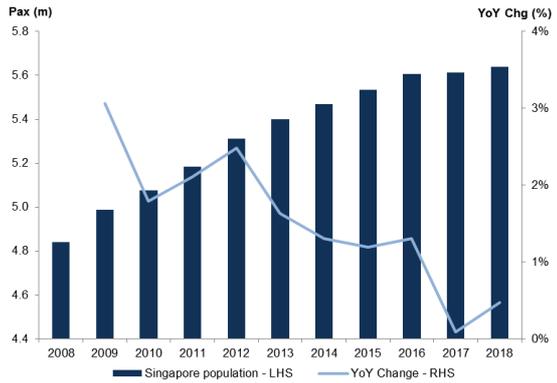
Foreign visitors are estimated to have been a large factor driving Singapore's IR industry, given the higher international visitor pool versus local population of 5.6 million; and given the levies on local citizens that act as a form of barrier. Visitation to Singapore spiked 20% year-on-year in 2010 (the year the IRs opened), and has almost doubled since the IRs opened, only taking a dip in 2015-2016 during the China anti-corruption campaign. Visitors from China, Indonesia, India and Malaysia account for around 40 to 50% of visitors to Singapore over the years, with China and Indonesia accounting for the largest share at 18% and 16%, respectively, of visitors to Singapore in 2018.

Figure 13: Singapore international visitors and YoY growth



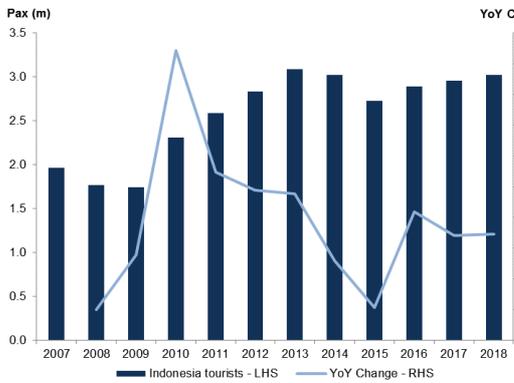
SOURCES: CGS-CIMB RESEARCH, SINGAPORE TOURISM BOARD

Figure 14: Singapore population and YoY growth



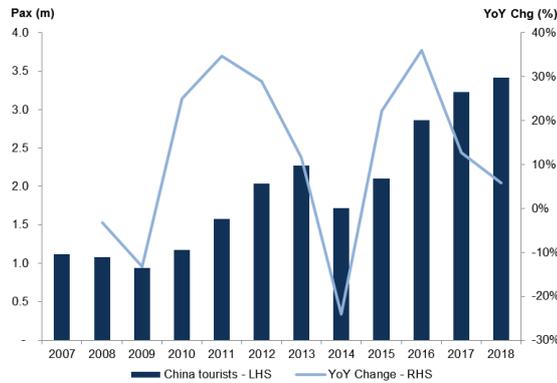
SOURCES: CGS-CIMB RESEARCH, DEPARTMENT OF STATISTICS SINGAPORE

Figure 15: Indonesia visitors



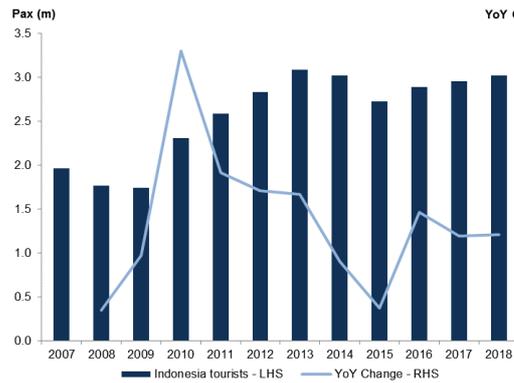
SOURCES: CGS-CIMB RESEARCH, SINGAPORE TOURISM BOARD

Figure 16: China visitors



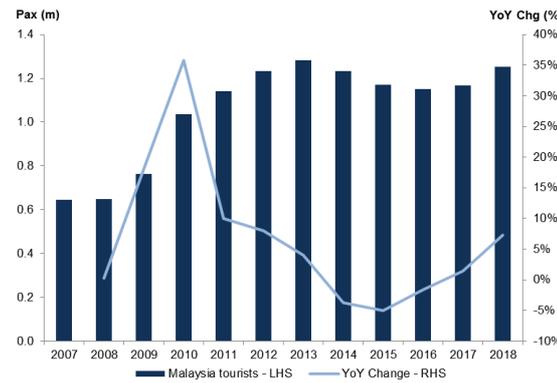
SOURCES: CGS-CIMB RESEARCH, SINGAPORE TOURISM BOARD

Figure 17: India visitors



SOURCES: CGS-CIMB RESEARCH, SINGAPORE TOURISM BOARD

Figure 18: Malaysia visitors



SOURCES: CGS-CIMB RESEARCH, SINGAPORE TOURISM BOARD

4.2. Singapore: Gaming revenue trends

Singapore's gaming market grew from an estimated S\$5bn GGR in 2010 to S\$6.2bn in 2018, hitting estimated peaks of more than approximately S\$7.5bn in 2011 to 2014. The GGR fell in 2015-2016 post China's anti-corruption crackdown in July 2014. From 2010 to 2014, estimated VIP and Mass GGR each comprised approximately half of the industry's total but Singapore's GGR is estimated to have skewed towards the Mass segment (approximately 37%:63%) from 2015 to 2018, as credit extension tightened as both IRs looked to wind down their trade receivables (Singapore has relatively no junkets to facilitate liquidity). Prior to 2015, estimated Singapore GGR had a higher correlation to Macau VIP baccarat (approximately 0.84), but post-2015, estimated GGR has been more correlated to the movements in MYR versus SGD.

Gaming revenues are estimated to be mainly foreign driven, given the slowing levies collected by the Singapore tote board from locals. The local population is estimated to account for 20% of Singapore's GGR, while the main foreign visitors are from China, Malaysia and Indonesia.

There have been no gaming capacity expansions in Singapore since 2010. In April 2019, both IRs announced they would be given the option to increase their gaming floor space by 500 to 2,000sqm and gaming machines by 800-1,000 upon the completion of non-gaming upgrades which will likely occur by 2024 to 2025.

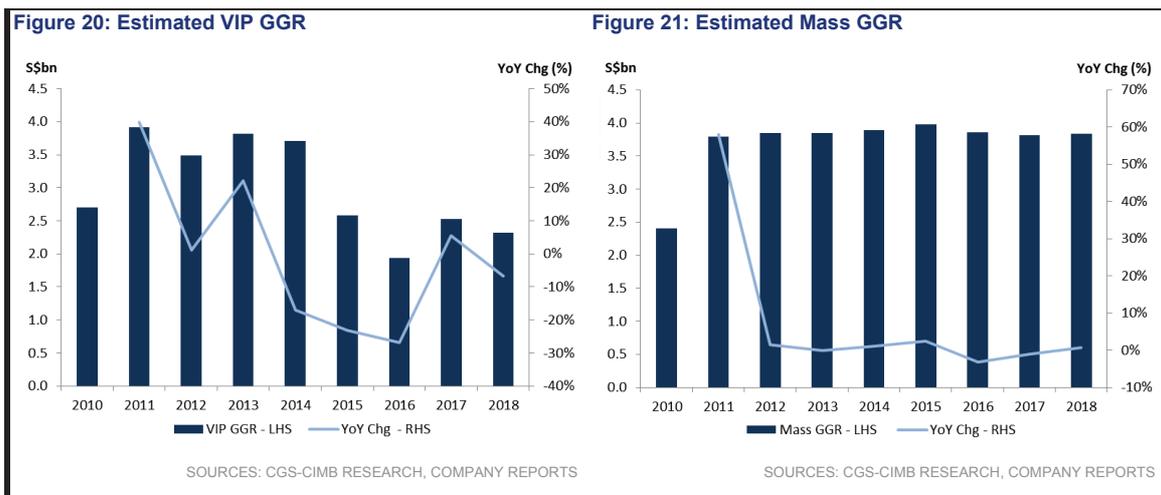
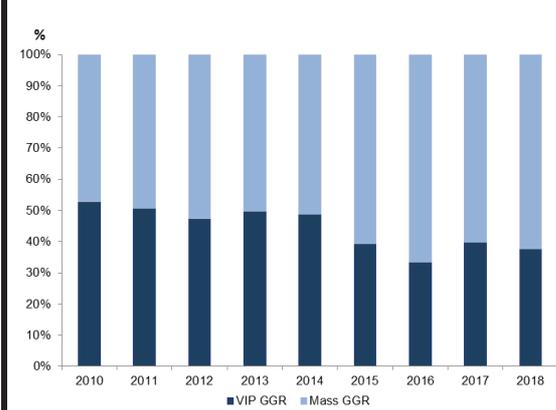
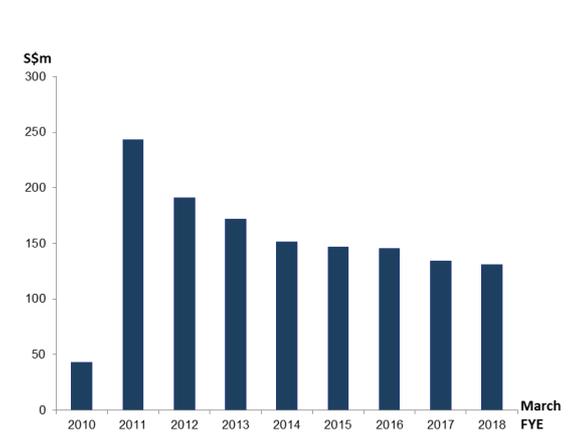


Figure 22: Estimated historical Singapore VIP vs. Mass GGR split



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 23: Casino levy collection



SOURCE: SINGAPORE TOTE BOARD

4.3. Singapore: Non-gaming revenue

Singapore’s IR non-gaming revenue is represented by both IRs’ hotel, F&B and attractions’ revenues. Such revenues have grown at a CAGR of approximately 10.8% between 2010 and 2018, and have grown to account for an estimated 31% of Singapore IR revenue (versus 17% in 2010). In 2018, hotel rooms, attractions and F&B/Convention revenues accounted for 36.6%/21.6%/40.5% of non-gaming revenue respectively.

Average hotel occupancy rates have been high in both integrated resorts, outperforming the overall Singapore average. Attractions visitation for RWS has also been on an uptrend with an approximate 89% correlation to Singapore international visitation. Retail spending by visitors has also increased.

In April 2019, both IRs announced that they were looking to invest a cumulative S\$9bn to upgrade their non-gaming facilities. Hotel room capacity will be increased by 1,000-1,100 each. RWS announced it would be expanding Universal Studios Singapore (USS) with two new themed and highly immersive environments – Super Nintendo World and Minion Park. In addition, both IRs mentioned they will expand their MICE facilities. We see the non-gaming segment as a crowd puller for Singapore IRs in light of the strict gaming legislation.

A joint press release by the Singapore Ministry of Trade and Industry, Ministry of Finance, Ministry of Home Affairs and Ministry of Social and Family Development in April 2019 highlighted that the IRs have enriched Singapore’s tourism offerings and enhanced its position as a global city for business and leisure tourism. Hence the IRs’ most recent investments are expected to enhance the vibrancy and tourism appeal of their offerings to remain competitive with other destinations in the region, and bring in more than half a million additional visitors annually.

Figure 24: Singapore non-gaming revenue and estimated % to IR revenue

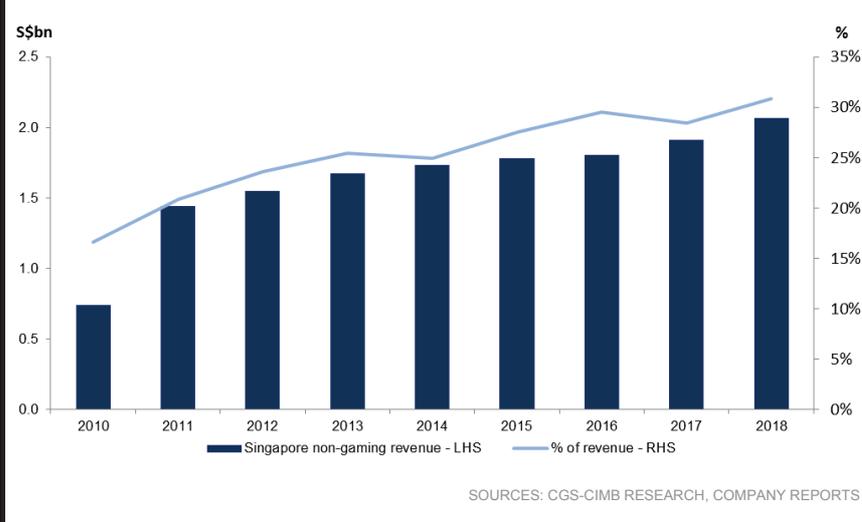


Figure 25: Historical breakdown of Singapore non-gaming revenue

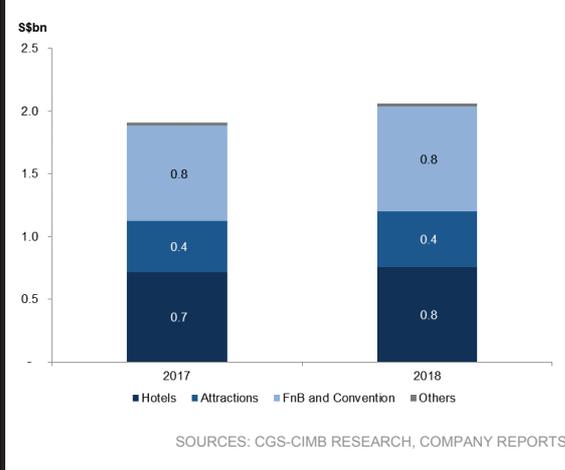


Figure 26: Historical composition of Singapore non-gaming revenue

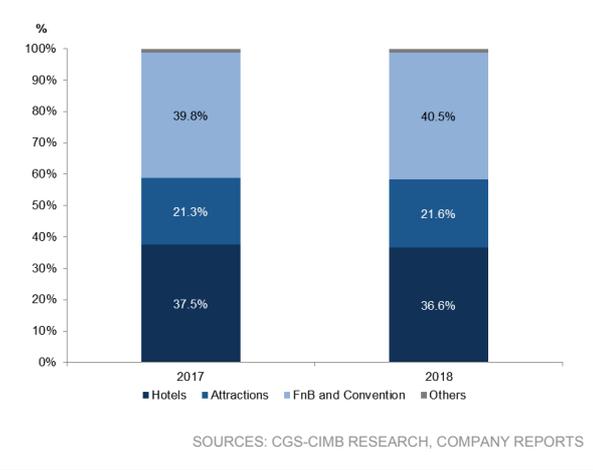


Figure 27: RWS estimated attractions' annual visitation

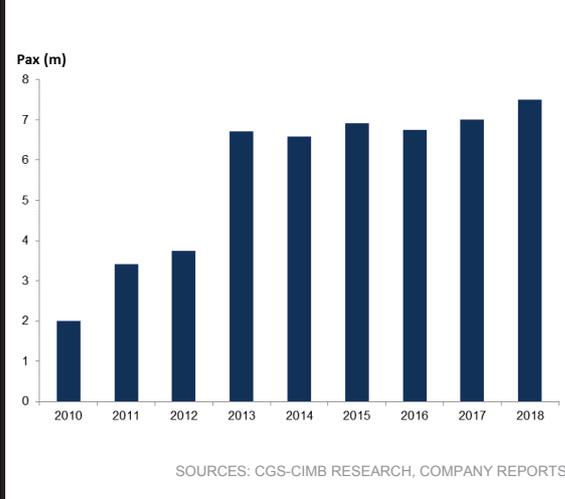
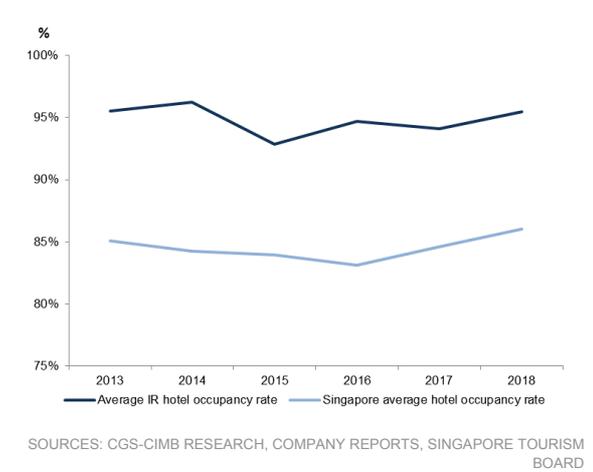
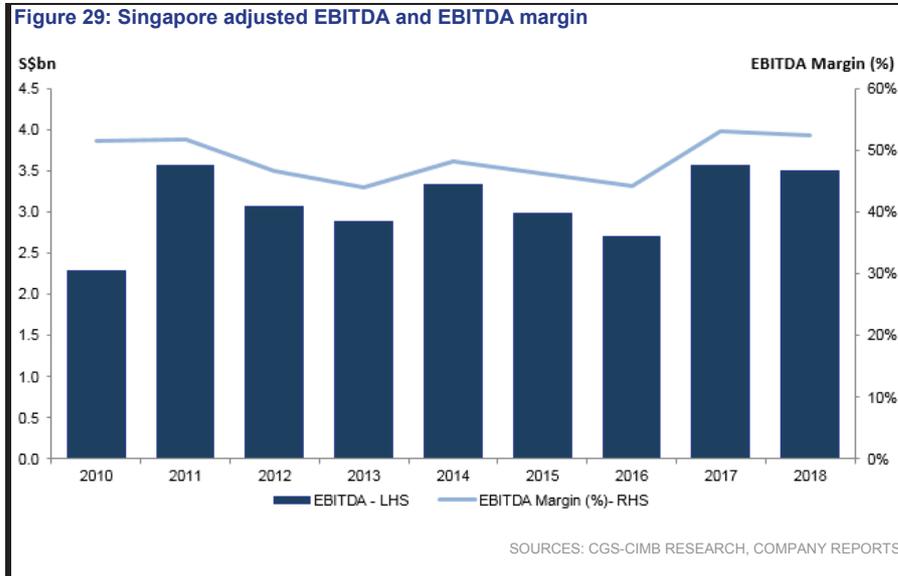


Figure 28: Average Singapore IRs hotel occupancy rate vs. Singapore average hotel occupancy rate



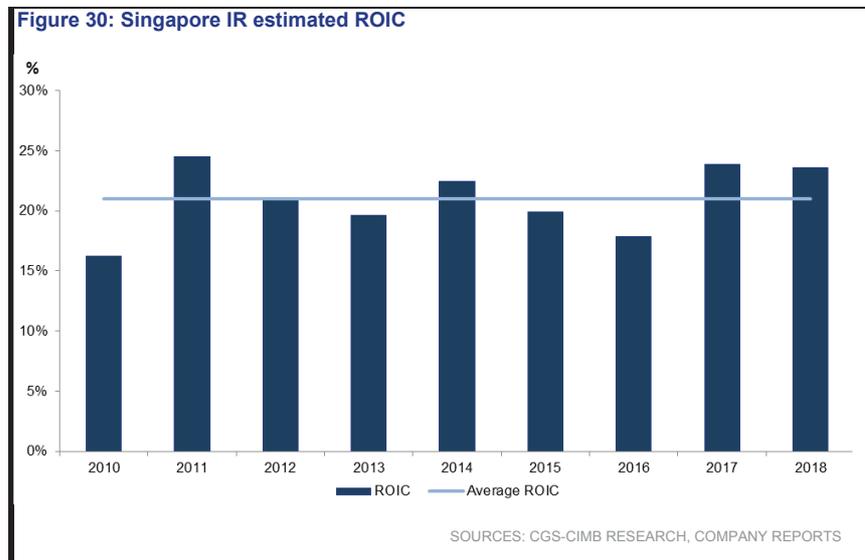
4.4. Singapore market: EBITDA trends

Singapore IRs' adjusted EBITDA grew from S\$2.3bn in 2010 to S\$3.5bn in 2018, and achieved an average combined EBITDA of S\$3.1bn and EBITDA margin of 48.7% since 2010. Again, EBITDAs dipped in 2015 to 2016 due to the China anti-corruption drive. EBITDA margins have been higher versus other jurisdictions likely largely due to the lower GGR tax regime in Singapore (approximately 5% for VIP and 15% for Mass). The higher non-gaming element also likely helps EBITDA margins.



4.5. Singapore market: ROIC

The average 9 year estimated ROIC from 2010 to 2018 for the 2 major IRs in Singapore was approximately 21.0%. Given adjusted EBITDA has been relatively steady, Singapore IRs' ROIC has also been steadily above 18% between 2011 and 2018.



5. Macau Market

5.1. Background and visitation trends

Macau liberalized gaming in 2002 by breaking up the gaming monopoly formerly held by SJM and allowed 5 other gaming operators to enter into Macau, where all 6 gaming operators were given a 20 year gaming license due to expire in 2022. The first IR opened in May 2004 from Sands China and since then 11 major integrated resorts have opened across the Macau Peninsula and Cotai. Since Sands Macao opened in 2004 and up to the opening of the latest integrated resort, MGM Cotai in February 2018, the scale and investment costs have increased considerably for these IRs.

Figure 31: Timeline of major integrated resorts in Macau

| Date | IR | Operator | Hotel rooms | Tables | Slots | Cost (US\$m) |
|--------|---------------------|----------------------|-------------|--------|-------|--------------|
| May-04 | Sands Macao | Sands China | 289 | 277 | 405 | 240 |
| Sep-06 | Wynn Macau | Wynn Macau | 600 | 380 | 1200 | 900 |
| Feb-07 | Grand Lisboa | SJM | 430 | 800 | 1,000 | 1,000 |
| Aug-07 | Venetian Macao | Sands China | 3,000 | 800 | 3,400 | 2,400 |
| Dec-07 | MGM Macau | MGM Macau | 600 | 385 | 890 | 1,250 |
| Jun-09 | City of Dreams | Melco Resorts | 1,400 | 500 | 1,300 | 2,500 |
| May-11 | Galaxy Macau | Galaxy Entertainment | 2,200 | 450 | 1,300 | 1,900 |
| Apr-12 | Sands Cotai Central | Sands China | 3,656 | 460 | 1,804 | 4,000 |
| Oct-15 | Studio City | Melco Resorts | 1,600 | 200 | 1175 | 3,200 |
| Aug-16 | Wynn Palace | Wynn Macau | 1,706 | 346 | 1,082 | 4,400 |
| Sep-16 | Parisian | Sands China | 2,951 | 382 | 1,296 | 2,500 |
| Feb-18 | MGM Cotai | MGM China | 1,362 | 185 | 1,147 | 3,400 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, MEDIA REPORTS

In 2018, visitation to Macau reached 35.8m with 71% of the visitors from Mainland China. Chinese visitor composition of approximately 70% has been fairly consistent since 2014. More specifically, among Chinese visitors, 42% of Chinese visitors were from Guangdong Province in 2018. Guangdong comprises the largest percentage of Chinese travelers to Macau due to its large population base in addition to having close proximity to Macau in terms of shared border.

Over time, the composition of visitors from China has been diversifying into other provinces due to an improved rail network in China that connects Mainland cities directly to Zhuhai (which borders Macau). As an example, while Guangdong comprises 42% of Mainland visitation in 2018, the percentage has fallen from 51% in 2011.

Figure 32: Visitor growth to Macau



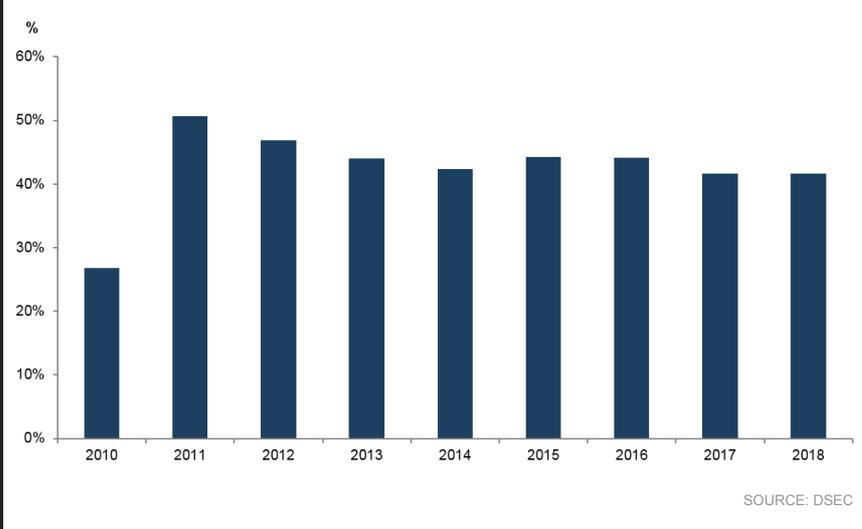
Figure 33: % of visitors from China



SOURCE: DSEC

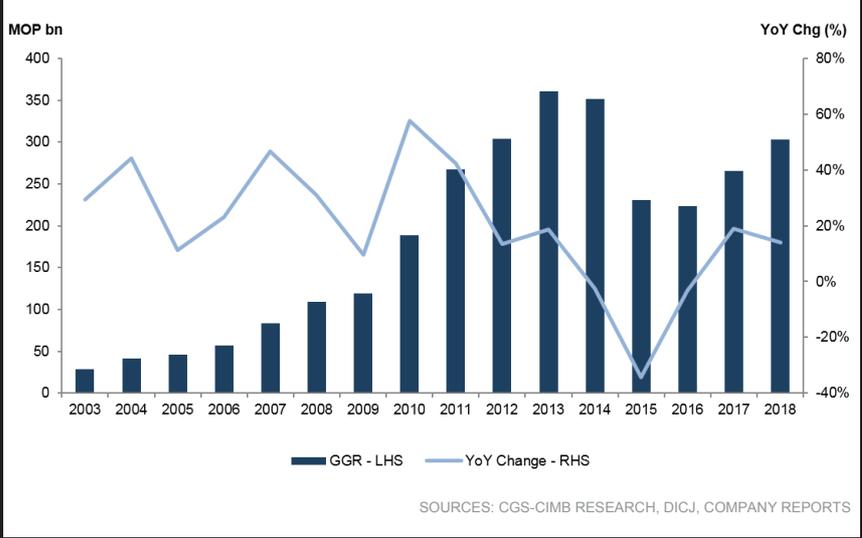
SOURCE: DSEC

Figure 34: Guangdong as % of total China visitation



5.2. Macau: Gaming revenue trends

Figure 35: Macau GGR



Gross gaming revenues in Macau have risen from MOP29bn in 2003 to MOP303bn in 2018 where the growth has been driven by a combination of increased gaming capacity, increasing wealth in China and improved transportation to Macau, which have all led to an increase in outbound Mainland travel to Macau. Macau GGR comprised VIP, mass and slots. VIP is commonly defined as junket and casino direct VIP.

As gaming is a higher-end consumer discretionary item, overall GGR growth is correlated to key Mainland macro factors such as GDP growth and the availability of credit. Macau GGR growth peaked at +58% growth in 2010 and bottomed at -34% growth in 2015. The decline from 2010 to 2015 was due to a combination of a high base effect along with China’s anti-corruption measures in 2014 and 2015. During the anti-corruption years, higher spending players stayed away from Macau due to a combination of tighter visa restrictions coupled with greater government scrutiny on higher end consumer spending. Since 2015, Macau GGR has steadily grown again but has not reached the growth levels seen prior to the anti-corruption years.

In terms of gaming composition, in 2018, VIP comprised approximately 46% of total Macau GGR versus its peak of approximately 77% in 2003. VIP has comprised a large percentage of GGR due to a favorable infrastructure which has allowed for a large amount of cross border currency transfer in the form of junkets and underground banking which facilitates currency exchange. VIP as a percentage of GGR has trended below 50% since the end of China's anti-corruption campaign in 2016. Gaming operators have also been devoting greater gaming capacity to Mass over VIP due to higher Mass EBITDA margins of approximately 40% versus VIP at approximately 10%.

Figure 36: Mass GGR

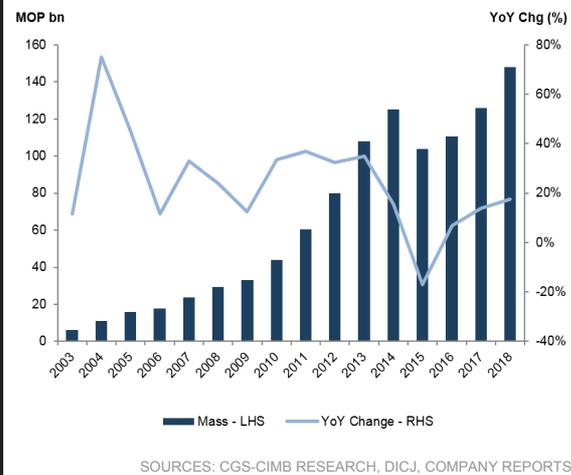


Figure 37: Slots GGR

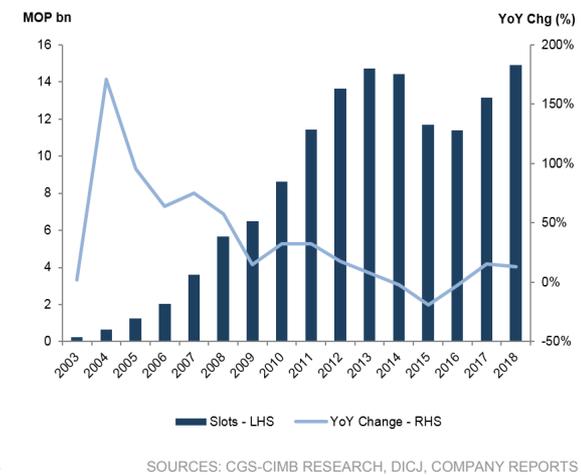


Figure 38: VIP GGR

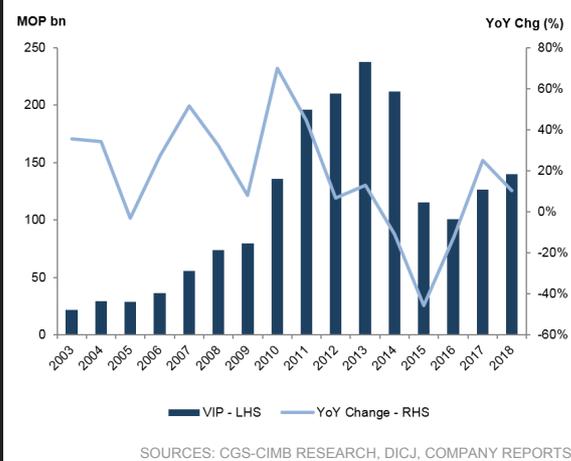


Figure 39: Gaming composition



5.3. Macau: Non-gaming revenue

Non-gaming revenue historically has not been a large component of total Macau IR revenues comprising approximately only 4% of gross revenue (or 5% of net revenue) in 2010 and reaching approximately 10% of gross revenue (or 12% of net revenue) in 2018. The reason for the increased non-gaming composition over the past eight years is mainly due to the opening of new capacity, which have been designed to cater for more non-gaming elements such as a larger number of hotel rooms, retail outlets, F&B outlets, and other elements such as theatres and MICE space. The Macau government has also issued a directive for new IRs to have a focus on increasing non-gaming elements, which would be a key factor in terms of gaming license renewal in 2022. According to Macau's Five-Year Development Plan established in 2016, the government aimed for a minimum of 9% non-gaming revenue contribution by 2020.

Macau's composition of non-gaming revenue is below that of regional markets due to the fact that Macau is still seen as a casino city where little activity exists beyond gaming (based on consumer survey feedback). Macau will have difficulty in growing its non-gaming composition to regional benchmarks as the non-gaming customer does not spend as much relative to a gaming patron. In addition, Macau faces considerable regional competition for its non-gaming activities. For example, Hong Kong is a viable alternative for retail and Shenzhen is a viable alternative for MICE.

Despite these challenges, Macau has seen an increase in non-gaming activity such as MICE events and hotel stays as recent new property openings have incorporated additional space for MICE facilities and hotel room inventory. Since 2011, when the wave of new Cotai IRs began to open, the number of MICE events in Macau rose from approximately 1,000 in 2011 to approximately 1,400 in 2018. In addition, since the first true integrated resort opened in Macau in 2004, the number of hotel rooms in Macau has grown from approximately 9,000 to approximately 38,000 in 2018. Room occupancy rates have risen from 78 to 92% over the same time period. This implies that hotel stay growth in Macau has tracked room capacity growth.

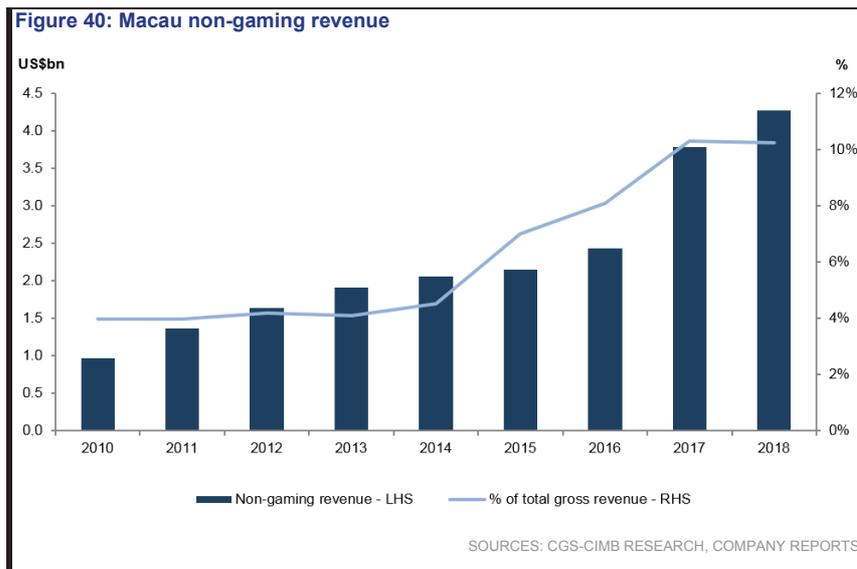
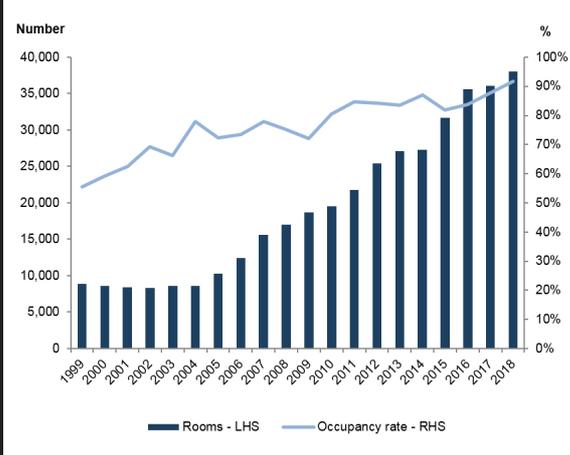
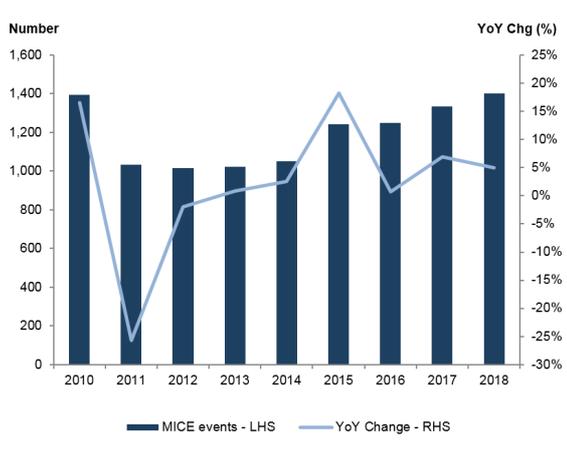


Figure 41: Macau hotel rooms and occupancy rate



SOURCE: DSEC

Figure 42: Macau MICE event growth



SOURCES: CGS-CIMB RESEARCH, DSEC

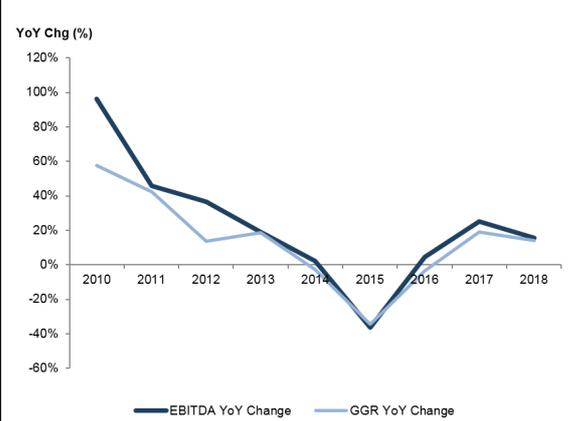
5.4. Macau market: EBITDA trends

In order to assess project returns, it is important to understand that Macau operates under certain regulatory constraints. The major tax that gaming operators have to pay is a GGR tax rate which at 39% is the highest among regional markets. The Macau government has also set the junket commission rate at a maximum of 1.25% of rolling chip or 44% VIP GGR revenue split to the junket operator. The combination of the GGR tax and VIP commission is why the EBITDA margins for VIP are relatively low.

In addition to the gaming tax, gaming operators are under a table restriction where the Macau government limits the increase of live dealer tables to 3 percent compounded annually to the end of 2022 where the base year is the end of 2012 with 5,485 tables. Gaming operators are typically awarded tables when new capacity opens. Due to the strict number of tables, operating leverage plays a large part in overall profitability.

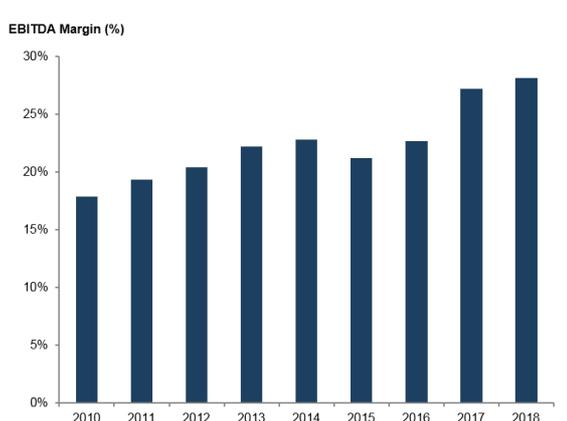
Directionally, cumulative Macau adjusted EBITDA growth has been correlated with overall Macau GGR growth with year-on-year EBITDA growth slightly outpacing the degree of GGR growth. In terms of adjusted EBITDA margin, we note that the cumulative margin has increased from 18% in 2010 to 28% in 2018 due to the smaller composition of the lower margin VIP business in terms of total revenues.

Figure 43: Macau GGR and EBITDA growth



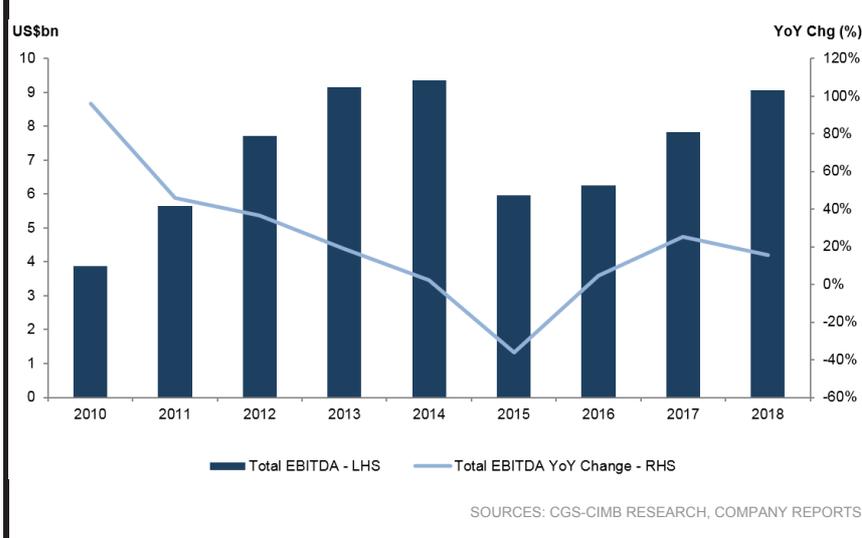
SOURCES: CGS-CIMB RESEARCH, DICJ, COMPANY REPORTS

Figure 44: Macau cumulative adjusted EBITDA margin



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 45: Macau cumulative adjusted EBITDA



5.5. Macau market: ROIC

The average 9 year ROIC from 2010 to 2018 for the 11 major IRs in Macau was approximately 47%. We note that the average is heavily skewed towards IRs that were opened pre-2012 due to the relatively low amount of capital expenditure cost involved. For the older IRs in Macau opened between 2006 and 2011, the average initial capital expenditure was about US\$1.7bn versus the average initial capital expenditure of about US\$3.5bn for the IRs opened in 2012 or after.

If we further breakdown the ROIC for the IRs opened pre- and post-2012, the difference in ROIC is significant where on average the pre-2012 IRs have a ROIC of approximately 56% from 2010 to 2018 while the ones opened post-2012 have a ROIC of approximately 14% since 2012. The difference is not only due to higher initial capital expenditures but also due to more gaming capacity in the market coupled with moderating revenue growth (which have not returned to peak pre-anticorruption levels).

In terms of capacity, the number of gaming tables in 2018 was 6,588 versus 5,750 in 2013. Win per table per day recently peaked in 2013 at approximately MOP165,000 prior to the anti-corruption crackdown. In 2018, win per table per day increased for the second straight year but only reached approximately MOP120,000, still 27% off its 2013 peak.

Figure 46: Average total ROIC for 11 major IRs in Macau

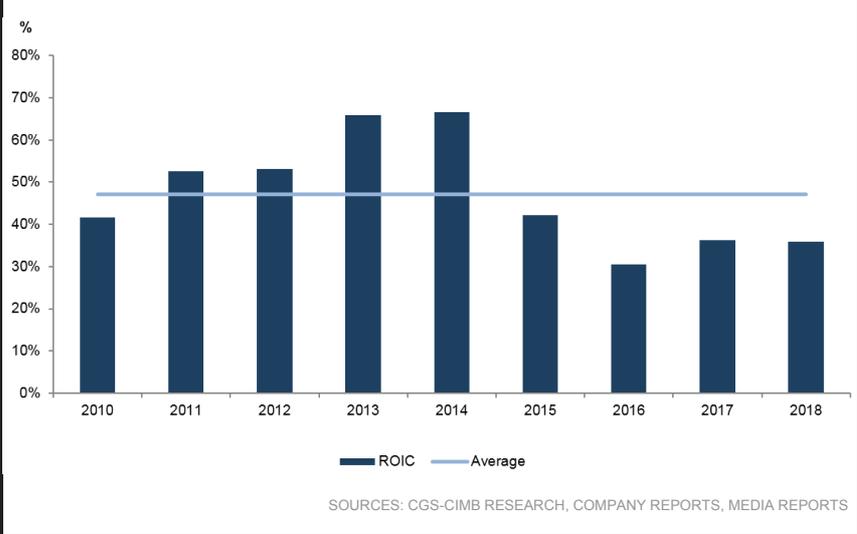


Figure 47: ROIC for IRs which opened pre-2012

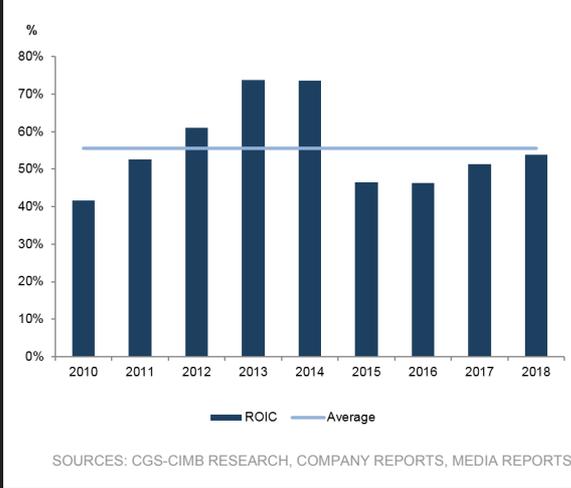
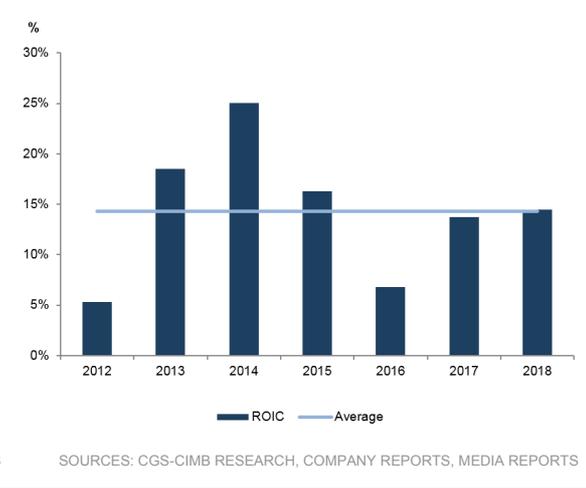


Figure 48: ROIC for IRs which opened post-2012



6. Las Vegas (Clark County) Market

6.1. Background and visitation trends

Clark County which includes the Las Vegas strip generated approximately US\$10bn of gaming revenue in 2018 but since 2010 has on average only generated 2% gaming revenue growth per year. Visitation to Clark County has seen similar trends generating on average only 2% growth per year since 2010. Since 2010, no significant hotel room inventory has been added to Clark County. At the end of 2018, Clark County had approximately 149,000 hotel rooms, virtually unchanged since 2010.

Convention visitors made up 15% of total visitation in 2018 versus 12% in 2010. International visitation made up 14% of total visitation in 2017 (most recent year of publicly available data) with approximately 5.7m international visitors (out of a total of 42.2m visitors). The number of international visitors has been stable ranging between 5.5 to 6m visitors and with an average growth of 1% since 2012. Clark County is considered as a mature gaming market with little growth in terms of gaming revenue and visitation. The United States is a competitive gaming market with 40 states having either land-based or tribal casinos.

The most aggressive hotel room expansion in Las Vegas occurred between 1990 and 2000 with approximately 50,500 hotel rooms being built over that decade. Using that decade as an example, a correlation exists between hotel room annual growth and visitor and GGR annual growth. This illustrates that hotel capacity growth does correlate with visitor and gaming revenue growth especially in a growing market – which Las Vegas was during that period of time – when GGR averaged 8% growth (compared to 2% subsequently from 2000 to 2010).

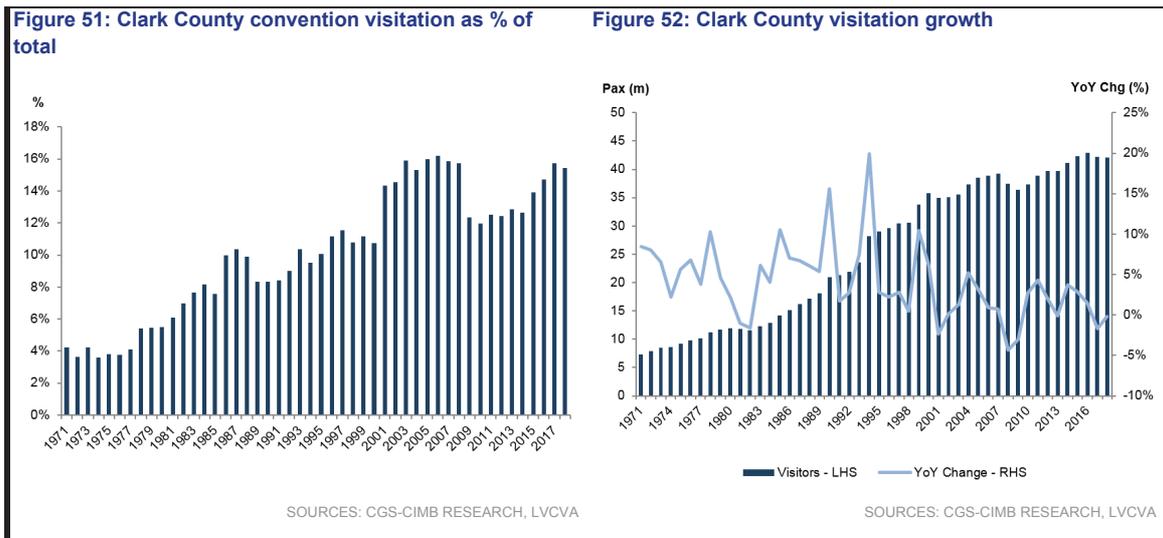
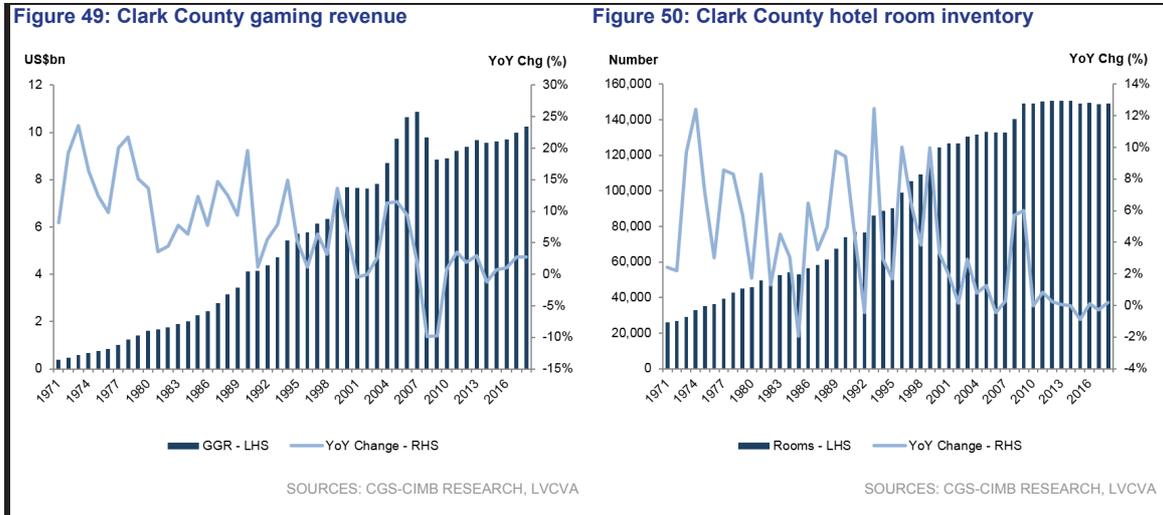


Figure 53: Las Vegas hotel room and visitor growth 1990-2000

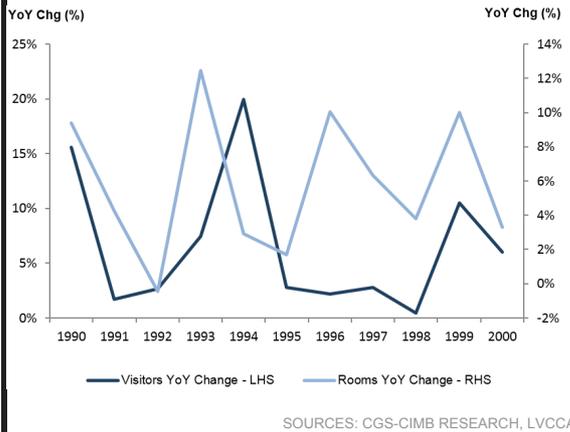
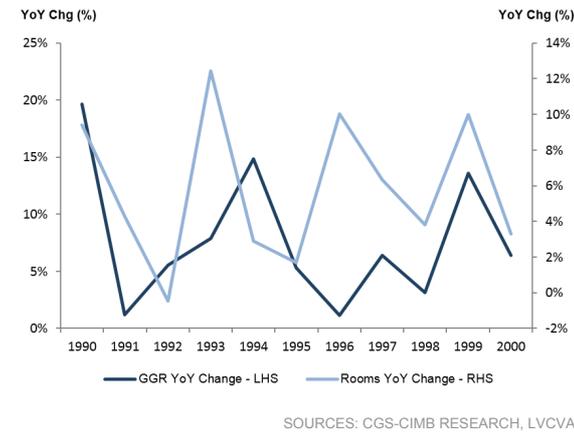


Figure 54: Las Vegas hotel room and GGR growth 1990-2000

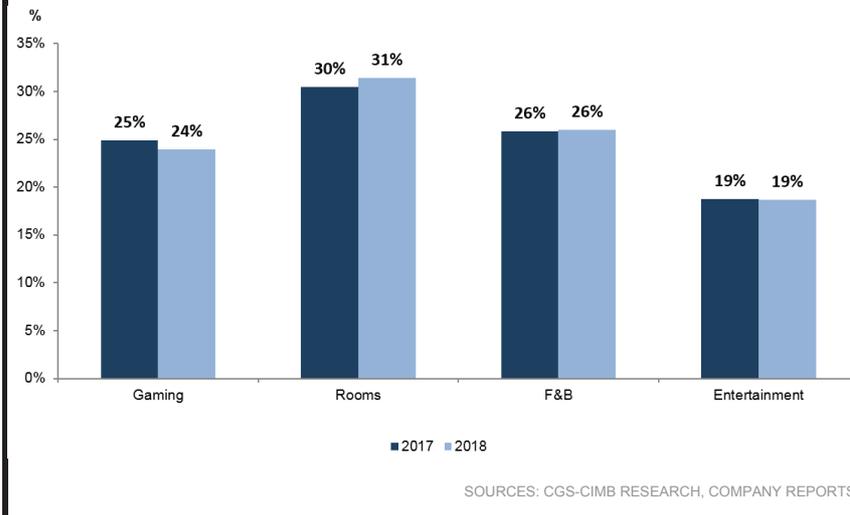


6.2. Las Vegas market: Gaming and Non-gaming revenue

Gaming in the Las Vegas market differs from the gaming markets in Asia mainly due the large component of non-gaming in Las Vegas. Due to heavy competition from other states for gaming, Las Vegas has to diversify its offerings outside of gaming in order to attract visitations. According to a summary from a sample of public companies' financials (where data is disclosed), gaming revenues was approximately only 24% of the total integrated resort revenues in 2018 with the bulk of revenues at 31% coming from hotel rooms.

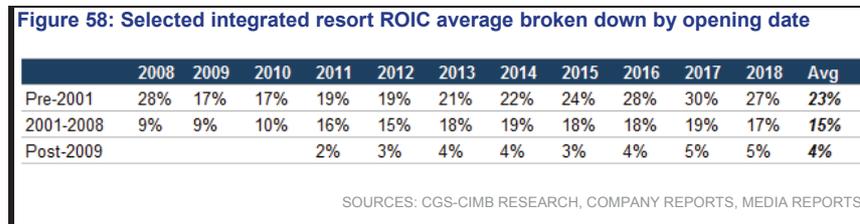
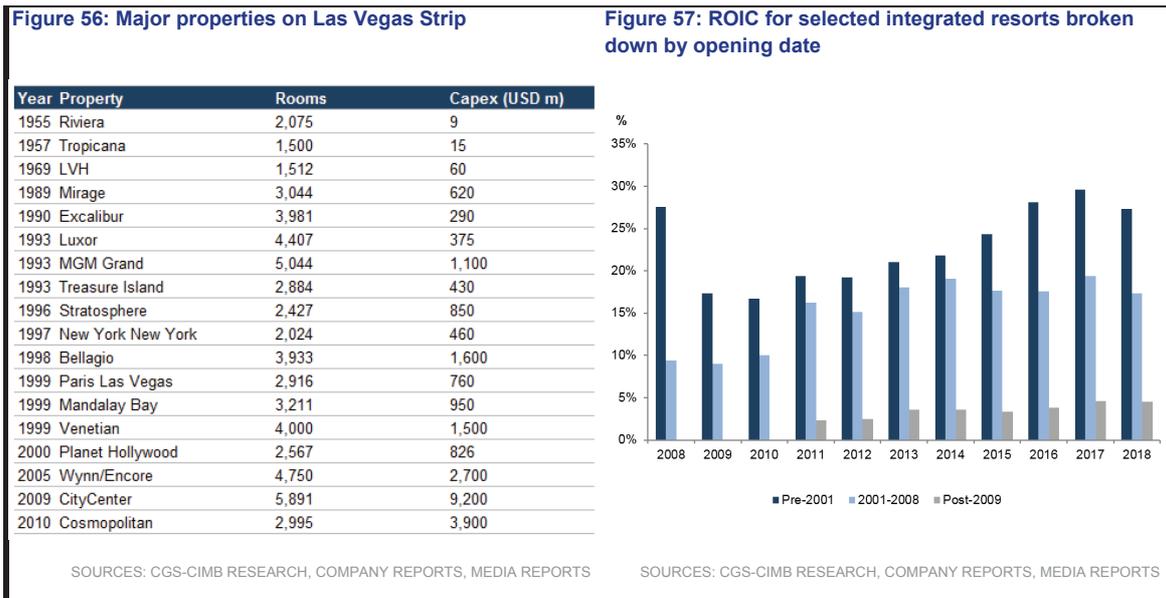
According to the UNLV Center for Gaming Research, from 1999 to 2017, Las Vegas Strip casinos' non-gaming revenue rose from 52% to 66% over that time period. The UNLV non-gaming statistic is lower than our sample estimate because our sample estimate mainly includes larger IRs which have more floor space for non-gaming elements. The UNLV study includes all properties on the Las Vegas strip, some of which may not have a significant floor space for non-gaming.

Figure 55: Revenue split from selected integrated resorts on Las Vegas strip



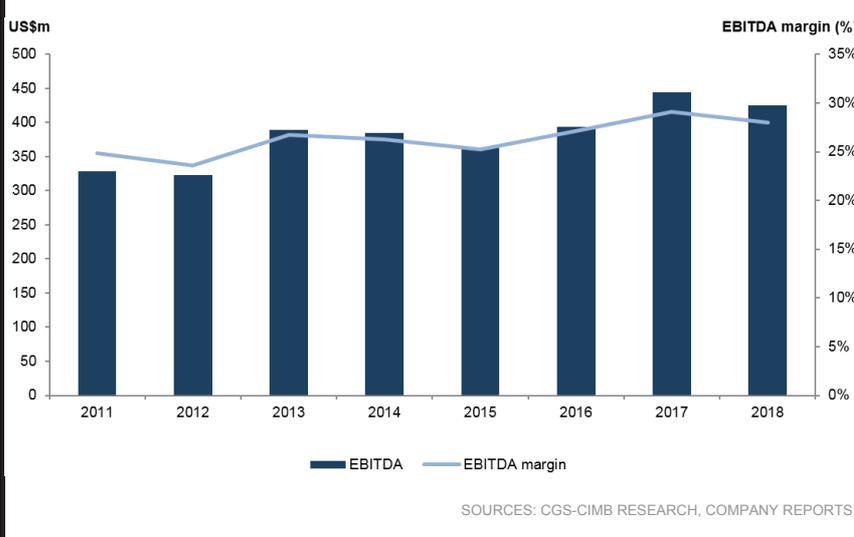
6.3. Las Vegas market: ROIC

Many of the IRs in Las Vegas are older and built prior to 2001 where the capital expenditure costs were considerably lower compared to today. Many properties opened prior to 2001 were being built for less than US\$1bn with the average initial capital expenditure cost being US\$656m. Post-2001, the average capital construction cost rose to US\$5.3bn. Hence as expected, the ROIC metrics for various properties in Las Vegas are dependent on when the property opened. The 11 year average ROIC from 2008 to 2018 for selected IR properties opened pre-2001 was approximately 23%. The average ROIC drops to 15% and then 4% for selected IR projects opened between 2001 and 2008, and opened post-2009, respectively. One reason for the differing ROIC across periods is due to the inflation of the initial capital costs required for these projects. Another reason is due to the maturation of the gaming market in Las Vegas where the sector is only seeing low single digit growth.



Based on publicly available financial data, three of the most expensive and most recently built integrated resorts in Las Vegas from 1999 had an average adjusted EBITDA margin of approximately 28% in 2018 with an average EBITDA of approximately US\$425m.

Figure 59: Average EBITDA and margin for most expensive Vegas projects from 1999



7. Malaysia Market

7.1. Background and visitation trends

There is only one integrated resort in Malaysia – Resorts World Genting (“RWG”) – a hilltop casino that is located approximately 55km from Kuala Lumpur. According to Genting Malaysia’s annual report, RWG recorded 25.9 million visitors in 2018 – where 73% of property visitors are day trippers, which are likely dominated by the domestic market. The remaining approximately 27% are overnights, and are likely driven by international tourists that are largely from China, Singapore and Indonesia. This is similar to trends seen for Malaysian visitation where, in the last 3 years, China and Indonesia have been the main growth drivers.

The Malaysia market is considered unique with a high dependence on local players. This could be because of the property’s proximity to local states and its continual refreshment of the non-gaming facilities. Malaysia’s addressable gaming population is only approximately 30% of the total population given religious constraints.

Figure 60: RWG annual visitors

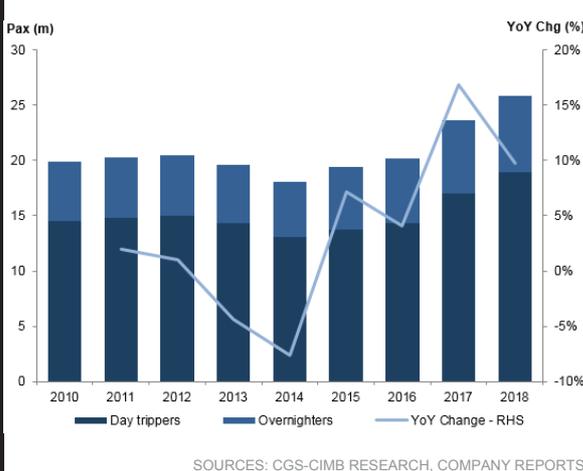


Figure 61: Malaysia Population

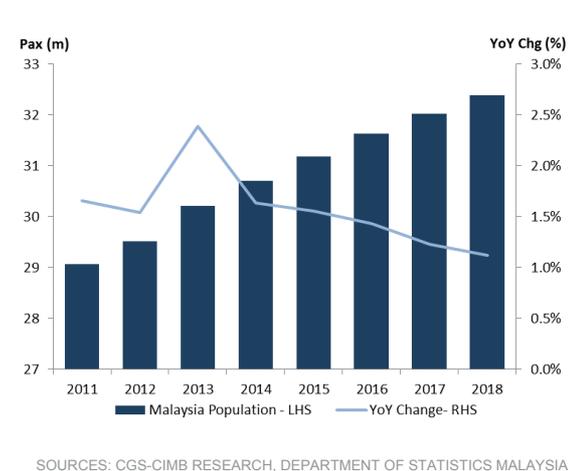


Figure 62: Malaysia international visitation

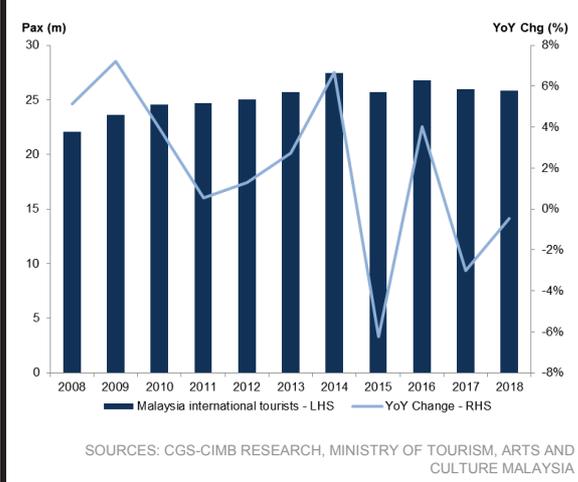


Figure 63: China visitation

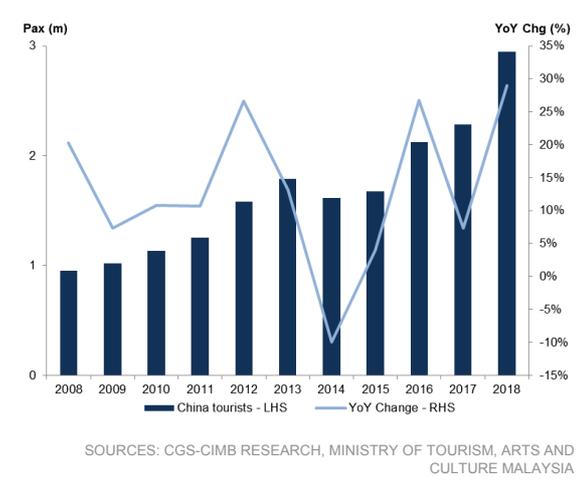


Figure 64: Indonesia visitation

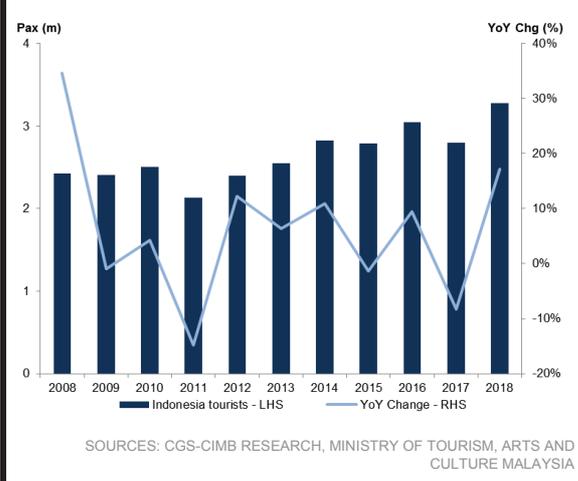
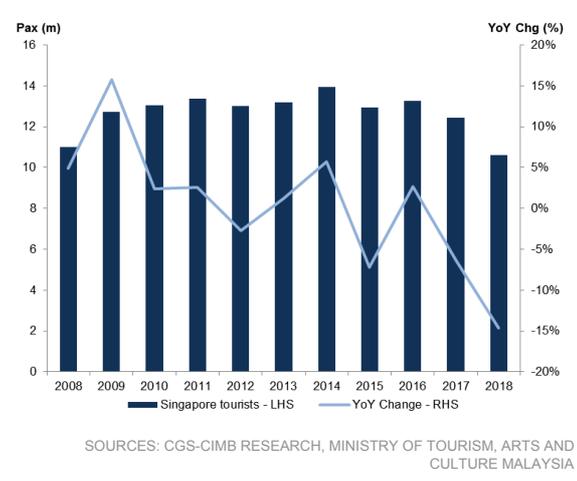
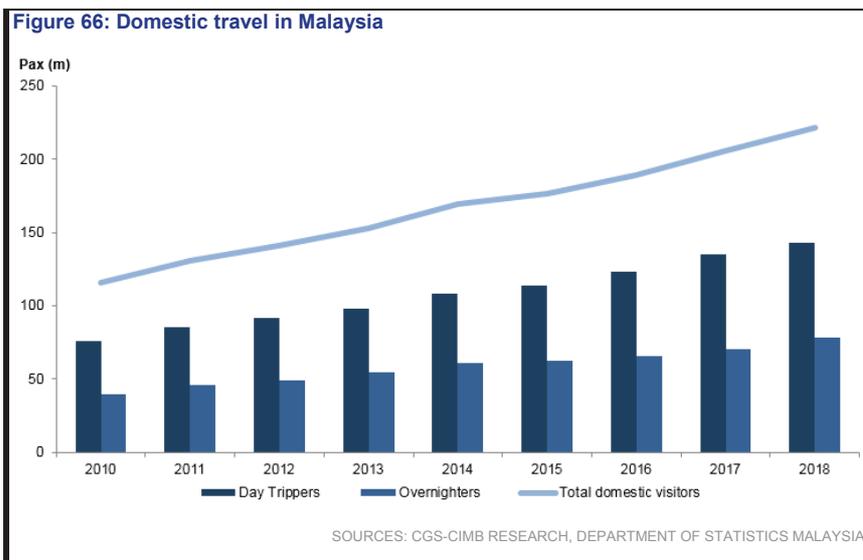


Figure 65: Singapore visitation



7.2. Malaysia: Domestic travel

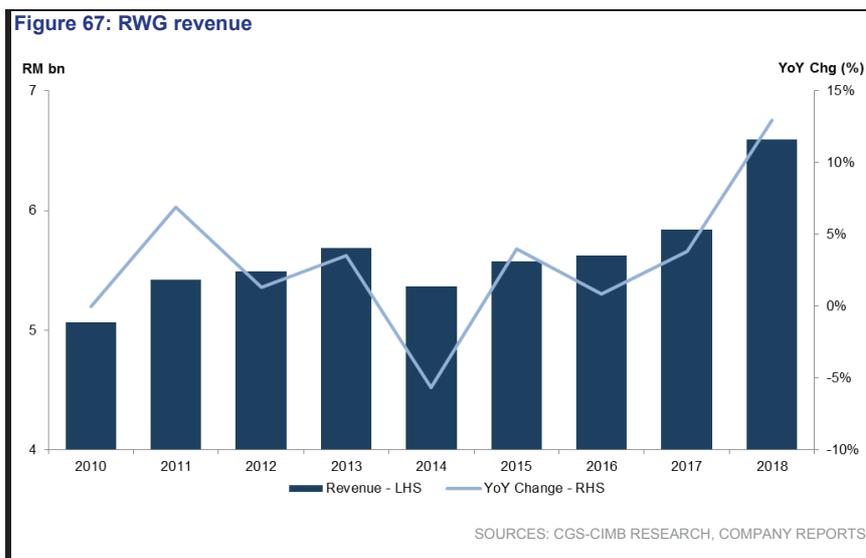
Domestic tourism has been growing in Malaysia, with the number of Malaysian people who travelled within Malaysia growing at a CAGR of 8.5% between 2010 and 2018.



7.3. Malaysia: Gaming and Non-gaming revenue

Gaming revenues are estimated to have accounted for a majority of Malaysia’s IR revenue, with likely higher business volume from Mass market segment in 2018.

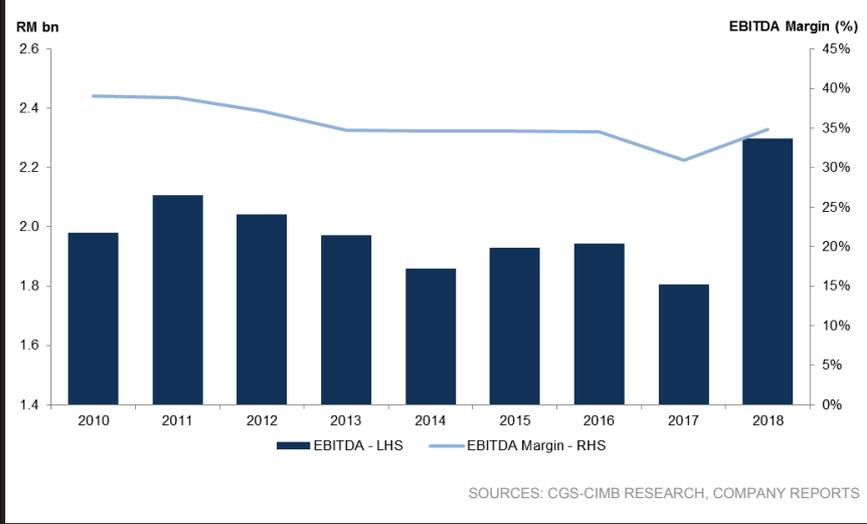
We think given the lower addressable population (international visitation is lower than regional peers and domestic population is majority Muslim), RWG has increased visitation and in turn revenues via its non-gaming offerings. RWG embarked on its Genting Integrated Tourism Plan (“GITP”) in 2013 and has been rolling out attractions since 2015. Visitation and revenue have tracked attraction roll-out.



7.4. Malaysia market: EBITDA trends

RWG has recorded an average EBITDA of approximately RM2bn from 2010-2018 and an average EBITDA margin of approximately 35%. The lower EBITDA margin versus Singapore is likely due to higher tax regime of up to 25% previously (tax was raised up to 35% in Malaysia’s Budget 2019). But the EBITDA margins are higher versus Macau which has a higher gaming tax. The non-gaming element also likely bolsters the EBITDA margin for RWG.

Figure 68: RWG EBITDA



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END

ADDITIONAL INFORMATION

1. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

1.1 Directors. The interests of the Directors in Shares as at the Latest Practicable Date are as follows:

| Directors ⁽¹⁾ | Direct Interest | | Deemed Interest | |
|-------------------------------------|------------------|------|------------------|------|
| | Number of Shares | % | Number of Shares | % |
| Tan Sri Lim Kok Thay ⁽²⁾ | 14,195,063 | 0.1 | 6,353,828,069 | 52.7 |
| Mr Tan Hee Teck | 15,750,000 | 0.1 | 9,600 | n.m. |
| Mr Koh Seow Chuan | – | – | – | – |
| Mr Jonathan Asherson | 125,000 | n.m. | – | – |
| Mr Tan Wah Yeow | 125,000 | n.m. | – | – |
| Ms Chan Swee Liang Carolina | – | – | – | – |

1.2 Substantial Shareholders. The substantial Shareholders of the Company (i.e., Shareholders holding an aggregate interest, direct and deemed, of 5% or more of all the outstanding Shares) as at the Latest Practicable Date are as follows:

| Substantial Shareholders | Direct Interest | | Deemed Interest | |
|-------------------------------------|------------------|------|------------------|------|
| | Number of Shares | % | Number of Shares | % |
| GOHL | 6,353,685,269 | 52.7 | – | – |
| GENT ⁽³⁾ | – | – | 6,353,685,269 | 52.7 |
| KHR ⁽⁴⁾ | 142,800 | n.m. | 6,353,685,269 | 52.7 |
| KHI ⁽⁵⁾ | – | – | 6,353,828,069 | 52.7 |
| Parkview ⁽⁶⁾ | – | – | 6,353,828,069 | 52.7 |
| Tan Sri Lim Kok Thay ⁽⁷⁾ | 14,195,063 | 0.1 | 6,353,828,069 | 52.7 |
| Mr Lim Keong Hui ⁽⁸⁾ | – | – | 6,353,828,069 | 52.7 |

Notes:

- (1) The Directors have been granted PSS Share Awards. The vesting of the PSS Share Awards is contingent upon the achievement of various performance targets.
- (2) Please see Section 1.2 of this Appendix 2 for an explanation of Tan Sri Lim Kok Thay's deemed interest. Tan Sri Lim Kok Thay's 14,195,063 Shares are held in the name of DBS Nominees (Private) Limited.
- (3) GOHL is a wholly-owned subsidiary of GENT. Accordingly, GENT is deemed to be interested in the Shares held by GOHL.
- (4) KHR and its wholly-owned subsidiary control 20% or more of the voting share capital of GENT. Accordingly, KHR is deemed to be interested in the Shares held by itself and GOHL. KHR's 142,800 Shares are held in the name of United Overseas Bank Nominees (Private) Limited.
- (5) The voting share capital of KHR is wholly-owned by KHI. Accordingly, KHI is deemed to be interested in the Shares held through KHR and GOHL.
- (6) Parkview acts as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family. A discretionary trust is one in which the trustee (and in the case where the trustee is a company, its board of directors) has full discretion to decide which beneficiaries will receive, and in whichever

proportion of the income or assets of the trust when it is distributed and also how the rights attached to any shares held by the trust are exercised. Parkview, through its wholly-owned company namely KHI, owns the entire issued voting share capital of KHR. As such, Parkview is deemed to be interested in the Shares held through KHR and GOHL. Parkview is owned by Tan Sri Lim Kok Thay and Mr Lim Keong Hui on an equal basis. The board members of Parkview are Tan Sri Lim Kok Thay and Mr Lim Keong Hui.

- (7) Tan Sri Lim Kok Thay is one of the beneficiaries of a discretionary trust, the trustee of which is Parkview. On account of Tan Sri Lim Kok Thay being a beneficiary of the discretionary trust, he is deemed interested in the Shares by virtue of the deemed interest of Parkview. Tan Sri Lim Kok Thay's 14,195,063 Shares are held in the name of DBS Nominees (Private) Limited.
- (8) Mr Lim Keong Hui is one of the beneficiaries of a discretionary trust, the trustee of which is Parkview. On account of Mr Lim Keong Hui being a beneficiary of the discretionary trust, he is deemed interested in the Shares by virtue of the deemed interest of Parkview.

1.3 Directors' Service Contracts. As at the Latest Practicable Date, no person is proposed to be appointed to the Board in connection with the Proposed Bid and the Japan IR project or any other transactions contemplated in relation to the Proposed Bid and the Japan IR project.

1.4 Disclosure of Interests. The Board has appointed CIMB and CGS-CIMB to issue the Market Report. Ms Chan Swee Liang Carolina is the Group Chief Executive Officer of CGS-CIMB, which is also an affiliate of CIMB. She had recused herself from the decision of the Board to appoint CIMB and CGS-CIMB and is not involved in the preparation of the Market Report.

As disclosed in **Sections 3** and **4** of this Circular, Group Executive Directors and Non-Executive Directors will be granted Special Incentive Awards as follows:

- with respect to Group Executive Directors (including the Chairman and the President and Chief Operating Officer):
 - o with respect to the Chairman, SGD35.0 million in cash, provided that if **Resolution 3** is approved, such award shall be granted by way of Shares based on such number of Shares as calculated in the manner set out in **Section 4.2**¹, with any balance award not granted in Shares to be granted by way of cash; and
 - o with respect to the President and Chief Operating Officer, 25,000,000 Shares; and
- subject to **Resolution 2** being approved, with respect to Non-Executive Directors: 500,000 Shares for each Non-Executive Director pursuant to the Special Incentive Awards.

Please refer to **Sections 3** and **4** of this Circular for details of the proposed grant of Special Incentive Awards.

Except as disclosed in this Circular, none of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in any Proposed Bid or the Company's investment in a Japan IR project.

1.5 Others. With respect to the PSS, the Company confirms that, as at the Latest Practicable Date, it is in compliance with Part VIII of Chapter 8 of the Listing Manual.

¹ Such number shall, for the avoidance of doubt, be calculated by dividing SGD35.0 million by the 10-Trading Day VWAP but shall not exceed the Chairman's Award Limit.

2. CONSENT

Each of CIMB and CGS-CIMB has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its Market Report and its name in the form and context in which they appear in this Circular.

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name in the form and context in which it appears in this Circular.

3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 10 Sentosa Gateway, Resorts World Sentosa, Singapore 098270 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the written consents of CIMB and CGS-CIMB referred to above; and
- (c) the written consent of the Financial Adviser.



GENTING SINGAPORE LIMITED

(Registered in the Republic of Singapore)
(Company Registration No: 201818581G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of Genting Singapore Limited ("**Company**") will be held at Resorts World Ballroom East, Resorts World Convention Centre, Basement 2, 8 Sentosa Gateway, Resorts World Sentosa, Singapore 098269 on Tuesday, 4 February 2020 at 11.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions, which will each be proposed as an Ordinary Resolution:

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular to the shareholders of the Company dated 20 January 2020 ("**Circular**").

Resolution 1 – Proposed Bid for Integrated Resort Project in Japan

That:

- (1) approval be and is hereby given to the Company to submit one or more bids for the development, operation and/or ownership of an integrated resort in Japan ("**Japan IR project**") and to undertake the Japan IR project on such terms and conditions as the Directors deem fit; and
- (2) the Directors or any of them be authorised to do all such things and execute all documents as they may consider necessary or expedient to give effect to the Proposed Bid and the Company's investment in the Japan IR project and this Ordinary Resolution as they, he or she may deem fit.

Resolution 2 – Proposed Grant of Special Incentive Awards to Non-Executive Directors

That:

- (1) approval be and is hereby given to the Company to grant the Special Incentive Awards to the Non-Executive Directors on the terms set out in **Section 3** of the Circular; and
- (2) the Directors or any of them be authorised to do all such things and execute all documents as they may consider necessary or expedient to give effect to this Ordinary Resolution as they, he or she may deem fit.

Resolution 3 – Proposed Increase in Limit of PSS Share Awards to Chairman

That:

- (1) approval be and is hereby given to the Company to increase the limit of the size of the PSS Share Awards to the Chairman on the terms set out in **Section 4** of the Circular; and
- (2) the Directors or any of them be authorised to do all such things and execute all documents as they may consider necessary or expedient to give effect to this Ordinary Resolution as they, he or she may deem fit.

By Order of the Board of Directors of
GENTING SINGAPORE LIMITED

Liew Lan Hing
Company Secretary

Singapore, 20 January 2020

Notes:

1. The resolutions to be put to the vote of members at the EGM (and at any adjournment thereof) will be voted on by way of a poll.
2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. Where there is only one proxy appointed and the shareholding is not specified, the proxy shall be deemed to represent 100% of the shareholding.

(b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant Intermediary" has the meaning given it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked, and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.
5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, or if submitted by electronic communication (as defined in the Companies Act, Chapter 50 of Singapore), be received, not less than 72 hours before the time appointed for holding the EGM and at any adjournment thereof.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**);
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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GENTING SINGAPORE LIMITED
(Registered in the Republic of Singapore)
(Company Registration No: 201818581G)

**EXTRAORDINARY GENERAL MEETING
PROXY FORM**

IMPORTANT

1. Relevant Intermediaries as defined in Section 181 of the Companies Act (Chapter 50) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For SRS investors who have used their SRS moneys to buy shares in Genting Singapore Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 20 January 2020.

I/We, _____ (Name)

_____ (NRIC/Passport No./Company Registration No.)

of _____ (Address)

being a member/members of Genting Singapore Limited (“Company”), hereby appoint:

| Name | NRIC/Passport No. | Proportion of Shareholding | |
|---------|-------------------|----------------------------|---|
| | | No. of Shares | % |
| Address | | | |

and/or (delete as appropriate)

| Name | NRIC/Passport No. | Proportion of Shareholding | |
|---------|-------------------|----------------------------|---|
| | | No. of Shares | % |
| Address | | | |

or failing whom, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company to be held at Resorts World Ballroom East, Resorts World Convention Centre, Basement 2, 8 Sentosa Gateway, Resorts World Sentosa, Singapore 098269 on Tuesday, 4 February 2020 at 11.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

| Ordinary Resolution | For* | Against* |
|---|------|----------|
| Resolution 1 – Proposed Bid for the Integrated Resort Project in Japan | | |
| Resolution 2 – Proposed Grant of Special Incentive Awards to Non-Executive Directors | | |
| Resolution 3 – Proposed Increase in Limit of PSS Share Awards to Chairman | | |

* *If you wish to exercise all your votes “For” or “Against”, please tick (✓) within the box provided. Alternatively, please indicate the number of shares in respect of which votes are to be cast “For” and “Against” as appropriate.*

Dated this _____ day of _____ 2020

Total Number of Shares Held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THE PROXY FORM

Notes for Proxy Form:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
 2. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. Where there is only one proxy appointed and the shareholding is not specified, the proxy shall be deemed to represent 100% of the shareholding.
(b) A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant Intermediary"** has the meaning given in Section 181 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").
3. A proxy need not be a member of the Company.
 4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, or if submitted by electronic communication (as defined in the Companies Act), be received, not less than 72 hours before the time appointed for the EGM and at any adjournment thereof.
 5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked, and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.
 6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.
 8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

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**BUSINESS REPLY SERVICE
PERMIT NO. 04910**



The Company Secretary
Genting Singapore Limited
c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

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Glue all sides firmly. Stapling & spot sealing is disallowed

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