

CIRCULAR DATED 30 JULY 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all of your shares in the capital of Genting Singapore PLC, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying 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 transmission to the purchaser or transferee.

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



GENTING

SINGAPORE

Genting Singapore PLC

(Incorporated in the Isle of Man with Limited Liability No. 003846V)

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED DIVESTMENT OF THE CASINO OPERATIONS IN THE UNITED KINGDOM

Independent Financial Adviser to the Independent Directors



KPMG Corporate Finance Pte Ltd

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198500417D)

IMPORTANT DATES AND TIMES:

- Last Date and Time for Lodgement of Proxy Form : **16 August 2010 at 10.00 a.m.**
- Date and Time of Extraordinary General Meeting : **18 August 2010 at 10.00 a.m.**
- Place of Extraordinary General Meeting : **West Ballroom
Resorts World Convention Centre
Basement 2
Resorts World Sentosa
8 Sentosa Gateway
Singapore 098269**

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DEFINITIONS

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

- “Agreement”** : The conditional sale and purchase agreement dated 1 July 2010 entered into between the Company and the Purchaser in connection with the sale of the Sale Companies
- “Associate”** : (a) In relation to any Director, chief executive officer of the Company, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30 per cent. or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30 per cent. or more
- “Audit Committee”** : The audit committee of the Company, comprising Mr. Lim Kok Hoong, Mr. Tjong Yik Min, Mr. Koh Seow Chuan and Mr. Tan Hee Teck
- “Board”** : The Board of Directors of the Company
- “Business Day”** : A day on which banks in Malaysia and Singapore are open for business, excluding Saturdays, Sundays and public holidays
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to the Shareholders dated 30 July 2010 in relation to the Proposed Divestment
- “Company”** : Genting Singapore PLC
- “Completion”** : Completion of the Proposed Divestment in accordance with the terms of the Agreement
- “Condensed Interim Financial Information”** : Unaudited condensed consolidated statements of financial position and related condensed consolidated statements of comprehensive income, changes in equity and cash flows
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15 per cent. or more of the total number of issued shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or

DEFINITIONS

	(b) in fact exercises control over the Company
“Directors”	: The directors of the Company as at the Latest Practicable Date
“Due Diligence Fulfilment Period”	: The period of two months from and excluding the date of the Agreement (or such later date as the Company and the Purchaser agree in writing)
“EBITDA”	: Earnings before interest, tax, depreciation and amortisation
“EGM”	: The extraordinary general meeting of the Company to be held on 18 August 2010 (and any adjournment thereof)
“EV/EBITDA”	: Enterprise value-to-earnings before interest, tax, depreciation and amortisation
“FY”	: Financial year ended or, as the case may be, ending 31 December
“Gambling Act 2005”	: The Gambling Act 2005, Chapter 19 of the United Kingdom
“Gambling Commission”	: The British Gambling Commission
“GBP” or “£”	: Pounds sterling, being the lawful currency of the United Kingdom
“General IPT Mandate”	: General Mandate which was renewed at the 25th Annual General Meeting of the Company on 27 April 2010
“GENM”	: Genting Malaysia Berhad
“GENM Group”	: GENM and its subsidiaries
“GENT”	: Genting Berhad
“Genting Casinos”	: Genting Casinos UK Limited
“GENUK”	: Genting UK Plc (formerly known as Stanley Leisure Plc)
“GIE”	: Genting International Enterprises (Singapore) Pte. Ltd.
“GOHL”	: Genting Overseas Holdings Limited
“Group”	: The Company, its subsidiaries, its jointly controlled entities and its associates
“IFA”	: Independent financial adviser
“IFA Letter”	: The letter from KPMG to the Independent Directors dated 30 July 2010 which is set out in Appendix V to this Circular
“Independent Directors”	: Directors who are considered independent for the purpose of the Proposed Divestment, namely Mr. Tan Hee Teck, Mr. Tjong Yik Min, Mr. Lim Kok Hoong and Mr. Koh Seow Chuan
“KHR”	: Kien Huat Realty Sdn Berhad
“KPMG”	: KPMG Corporate Finance Pte Ltd

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“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 21 July 2010
“Listing Manual”	:	The listing manual of the SGX-ST, as amended up to the Latest Practicable Date
“Member”	:	A Shareholder who is registered in the Register of Members of the Company
“NA”	:	Net assets
“Nedby”	:	Nedby Limited
“Nedby Group”	:	Nedby, its subsidiaries and associated companies
“NTA”	:	Net tangible assets
“Parkview”	:	Parkview Management Sdn Bhd
“per cent.” or “%”	:	Per centum or percentage
“Proposed Divestment”	:	The proposed divestment of the Sale Companies pursuant to the Agreement
“PSL”	:	Palomino Star Limited
“PSL Group”	:	PSL and its subsidiaries
“Purchaser”	:	Genting Worldwide (UK) Limited
“Purchase Price”	:	The purchase price payable by the Purchaser for the acquisition of the Sale Companies
“PWL”	:	Palomino World Limited
“PWL Group”	:	PWL and its subsidiaries
“PWL(UK)”	:	Palomino World (UK) Limited
“Relevant Company” or “Relevant Companies”	:	Each and any body corporate in the Sale Group
“RWS”	:	Resorts World Sentosa Integrated Resort
“Sale Companies”	:	GIE, Nedby, PSL and PWL
“Sale Group”	:	GIE, the Nedby Group, the PSL Group and the PWL Group
“Sale Shares”	:	The entire issued share capital of each of the Sale Companies as at Completion
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Holders of Shares in issue (including persons whose Shares are deposited with the CDP)
“Shares”	:	Ordinary shares in the capital of the Company

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- “Singapore Companies Act”** : The Companies Act, Chapter 50 of Singapore
- “SGD”, “S\$” and “cents”** : Singapore dollars and cents
- “Substantial Shareholder”** : A person who has an interest in not less than five per cent. of the total number of issued Shares
- “Tax”** : Any form of tax whether of Malaysia, Singapore, the United Kingdom or the Isle of Man or elsewhere whenever imposed (including, without limitation, income tax, corporation tax, real property gains tax, service tax, sales tax, payroll tax, withholding tax, profits tax, capital gains tax, capital transfer tax, development tax, development land tax, estate duty, stamp duty, capital duty, value added tax, custom or other import or export duties) and all statutory, governmental, state, local governmental or municipal impositions, duties, rates and levies and all penalties, charges and interest relating thereto
- “USD” or “US\$”** : United States of America dollars, the lawful currency of the United States of America

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Singapore Companies Act.

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 and *vice versa*. References to persons, where applicable, shall include corporations.

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 the Singapore Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Singapore Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

In this Circular, all references to percentage shareholding of Shares are based on 12,171,219,207 Shares in issue as at the Latest Practicable Date.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

Any discrepancies in the figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in the Circular may not be an arithmetic aggregation of the figures which precede them.

In this Circular, translations of any GBP amounts to SGD amounts or *vice versa* have been provided solely for the convenience of Shareholders and should not be construed as representations that the GBP amounts stated in this Circular could have been or would have been converted into SGD amounts or *vice versa*, at the stated rates or at any rate or at all.

Unless otherwise specified to the contrary, all GBP amounts expressed in SGD in this Circular are based on an exchange rate of £1 : S\$2.02597, being the GBP to SGD exchange rate displayed on the relevant page of Reuters on 31 May 2010.

LETTER TO SHAREHOLDERS

GENTING SINGAPORE PLC

(Incorporated in the Isle of Man with Limited Liability No. 003846V)

Board of Directors:

Tan Sri Lim Kok Thay (*Executive Chairman*)
Mr. Tan Hee Teck (*Director/President and Chief Operating Officer*)
Mr. Tjong Yik Min (*Independent Director*)
Mr. Lim Kok Hoong (*Independent Director*)
Mr. Koh Seow Chuan (*Independent Director*)

Registered Office:

International House
Castle Hill
Victoria Road
Douglas
Isle of Man
IM2 4RB
British Isles

30 July 2010

To: The Shareholders of Genting Singapore PLC

Dear Sir/Madam

PROPOSED DIVESTMENT OF THE CASINO OPERATIONS IN THE UNITED KINGDOM

1. INTRODUCTION

- 1.1 Summary.** The Company runs its casino operations in the United Kingdom (the “**UK Casino Operations**”) through various entities which are ultimately owned by each of Nedby and PSL. GIE is a party to a financial facility which was taken up to partially refinance the acquisition by the Company of GENUK in 2006. PWL’s subsidiary, PWL(UK), has the right to use certain trade marks which are used in connection with the UK Casino Operations.

On 1 July 2010, the Company announced (the “**Announcement**”) that it had entered into the Agreement for the Proposed Divestment comprising the sale of the Sale Shares to the Purchaser, which (upon completion of the transaction) would result in the divestment of the UK Casino Operations, as well as the relevant financial facility and trade marks material to the UK Casino Operations, to the Purchaser.

A copy of the Announcement is available on the website of the SGX-ST at www.sgx.com.

- 1.2 EGM.** The Directors are convening the EGM to seek the approval of Shareholders for the ordinary resolution relating to the Proposed Divestment to be proposed at the EGM (the “**Ordinary Resolution**”), notice of which is set out in this Circular.
- 1.3 Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Divestment, including the rationale of the Proposed Divestment and the financial effects of the Proposed Divestment on the Group, and to seek Shareholders’ approval for the Ordinary Resolution.

2. PURCHASE PRICE

- 2.1 Purchase Price.** The aggregate sum of the consideration to be received by the Company pursuant to the Agreement is £340 million (equivalent to approximately S\$688.8 million, based on an exchange rate of £1 : S\$2.02597, being the GBP to SGD exchange rate displayed on the relevant page of Reuters on 31 May 2010) (as may be adjusted in accordance with the adjustment mechanism, details of which are set out in Section 2.4 below) (the “**Purchase Price**”).

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The Purchase Price will be paid by the Purchaser to the Company in full on Completion in SGD by way of telegraphic transfer against delivery by the Company of the relevant completion documents specified in the Agreement. The SGD amount of the Purchase Price to be paid by the Purchaser to the Company on Completion will be based on the average of the GBP to SGD exchange rate displayed on the relevant page of Reuters¹ for the three-month period immediately preceding the Completion Date (as defined in Section 3.2 below) (up to and including the date immediately preceding the Completion Date). **The SGD amount of the Purchase Price to be paid by the Purchaser to the Company on Completion may be more or less than S\$688.8 million depending on the GBP to SGD exchange rate calculation to be applied on Completion.**

2.2 Approach by Purchaser. While the Company did not then have specific plans to dispose of the UK Casino Operations, following an initial offer by the Purchaser, the Company was nonetheless prepared to consider a proposal to divest the UK Casino Operations if the terms, including the consideration, were satisfactory to the Company and there would be benefits, strategic or otherwise, to be derived by the Company from the disposal. Consequently, the Company deliberated and engaged in several sessions of negotiations with the Purchaser on the offer on a willing-buyer and willing-seller basis before arriving at a mutually agreed aggregate sum of £340 million as the consideration to be received by the Company for the proposed disposal, subject to adjustment as detailed in Section 2.4 below. The Company has not received any other offers as at the Latest Practicable Date.

2.3 Factors taken into account. The Company took into account various factors in arriving at the Purchase Price, including net debt adjustments, net asset value of the Sale Group and the discounted cashflow model for the Sale Group based on the projected future earnings of the UK Casino Operations, taking into consideration the weighted cost of capital to reflect specific risks relating to the relevant leisure and hospitality business segments and on the basis that the growth rate is not more than the long term average growth rate for the relevant leisure and hospitality industry.

The Purchase Price represents:

- (i) a EV/EBITDA multiple of 14 times the EBITDA attributable to the Sale Group for FY2009; and
- (ii) a price-to-book multiple of 1.2 times based on the net asset value attributable to the Sale Group as at 31 March 2010².

The Purchase Price exceeds the net asset value of the Sale Group as at 31 March 2010³ by approximately S\$103.6 million.

2.4 Adjustment to Purchase Price. If, during the legal, financial and taxation due diligence audit which is being carried out by the Purchaser on the Sale Group in connection with the sale and purchase of the Sale Shares, any liability is discovered to be accrued or incurred by the Sale Group (the “**Due Diligence Deficit**”) which is not provided for in (i) the audited accounts of, *inter alia*, each Sale Company for the accounting reference period ended on 31 December 2009, (ii) the unaudited management accounts of GIE and the consolidated unaudited management accounts of the Nedby Group, the PSL Group and the PWL Group for the period from 1 January 2010 to 31 March 2010 and (iii) the consolidated unaudited management accounts of the Sale Group for the period from 1 January 2010 to 31 March 2010, depending on the amount of the Due Diligence Deficit, the amount of the Purchase Price may be adjusted as set out below:

¹ If the agreed page is replaced or service ceases to be available, the Company may specify another page or service displaying the appropriate rates.

² Based on the unaudited consolidated proforma balance sheet of the Sale Group as at 31 March 2010, the net asset value of the Sale Group is approximately £288.9 million (equivalent to approximately S\$585.3 million). The unaudited consolidated balance sheet of the Sale Group as at 31 March 2010, was adjusted for repayment of external bank borrowings in April/May 2010, taxation and increase in share capital up to 30 June 2010.

³ See footnote 2.

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- 2.4.1 if the amount of the Due Diligence Deficit is £5 million or less, the Purchase Price will not be adjusted to take into account the Due Diligence Deficit;
- 2.4.2 if the amount of the Due Diligence Deficit is more than £5 million, the Purchaser may, by notice in writing to the Company, prior to the expiry of the Due Diligence Fulfilment Period, require the amount of the Due Diligence Deficit and the items constituting the Due Diligence Deficit (the “**Unanticipated Items**”) to be referred to and reviewed, verified and quantified by a firm of independent advisers/experts (the “**Advisers**”) to be mutually appointed by the Company and the Purchaser. The Advisers shall determine:
- (i) whether the Unanticipated Items are valid and whether the Due Diligence Deficit arising from such Unanticipated Items amount to £5 million or more; and
 - (ii) if so, the amount by which the Purchase Price is to be reduced (the “**Adjustment Amount**”).

The determination of the Advisers shall be made in writing within 10 Business Days (or such other period as the Company and the Purchaser may agree in writing) and made available for collection by the Company and the Purchaser at the offices of the Advisers at such time as they shall determine. If the Adjustment Amount is £5 million or less, the Purchase Price will not be adjusted to take into account the Due Diligence Deficit. If the Adjustment Amount is more than £5 million, the Purchase Price will be correspondingly reduced by the Adjustment Amount; and

- 2.4.3 in addition to any adjustment (if any) made to the Purchase Price as set out in Sections 2.4.1 and 2.4.2 above, the amount of the Purchase Price will be subject to further adjustment to account for any difference in the net debt position of the Sale Group as at 31 May 2010 and as at 20 June 2010 (to be ascertained by an auditor as mutually agreed by the Company and the Purchaser).

3. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

- 3.1 **Conditions Precedent.** The completion of the Proposed Divestment is conditional upon the satisfaction of the following conditions precedent:

- 3.1.1 the approval of the Shareholders at the EGM, pursuant to and in accordance with the requirements of the Listing Manual;
- 3.1.2 the approval of the shareholders of GENM, at a general meeting of GENM to be convened, pursuant to and in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- 3.1.3 the Purchaser being reasonably satisfied with the results of a legal, financial and taxation due diligence audit which is being carried out on the Sale Group by the Purchaser;
- 3.1.4 the approval of Bank Negara Malaysia being obtained;
- 3.1.5 in respect of the Gambling Commission, the following:
 - (i) to the extent applicable, the receipt by the Relevant Companies of either re-issued operating licences issued by the Gambling Commission pursuant to the provisions of Part 5 of the Gambling Act 2005 (the “**Operating Licences**”) or such other written confirmation as may be issued by the Gambling Commission that all Operating Licences held by the Relevant Companies as a result of the sale and purchase of the Sale Shares shall continue to have effect following the change of corporate control of such Relevant Companies as a result of the sale and purchase of the Sale Shares (in each case following an application made by each such Relevant Company to the Gambling Commission under Section 102(2)(b) of the Gambling Act 2005); and

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- (ii) to the extent applicable, the issue by the Gambling Commission of personal management licences under Part 6 of the Gambling Act 2005 to such directors and officers of Relevant Companies nominated by the Purchaser as may be required by the Gambling Commission to apply for and maintain personal management licences;

3.1.6 the receipt of the following consents:

- (i) the receipt of the consent of DBS Bank Ltd, being a creditor of GIE, as required under the £37,500,000 credit facility for GIE with DBS Bank Ltd. (as facility agent) provided pursuant to a facility agreement dated 6 March 2008; and
- (ii) the receipt of the consent of HSBC Bank Plc, a creditor of Genting International Investment (UK) Limited, and relevant lenders (if applicable), as required under the £87,500,000 credit facility for Genting International Investment (UK) Limited with HSBC Bank Plc (as facility agent and co-ordinator) provided pursuant to a facility agreement dated 6 March 2008,

in each case, to the sale and purchase of the Sale Shares on terms and conditions reasonably satisfactory to both parties to the Agreement; and

3.1.7 if necessary, the approval and/or consent of any other relevant authority or any other third party for the sale and purchase of the Sale Shares being obtained.

3.2 Completion. The obligations of the parties to the Agreement to complete the sale and purchase of the Sale Shares shall become unconditional on the date when the conditions referred to in Section 3.1 above have been fulfilled or, as the case may be, waived (the “**Unconditional Date**”). Completion will take place on a date which falls 10 Business Days after the Unconditional Date or such other date as the parties to the Agreement may agree in writing (“**Completion Date**”).

3.3 Other Material Terms. Other material terms of the Proposed Divestment contained in the Agreement are summarised in Appendix I to this Circular.

4. INFORMATION ON THE PURCHASER AND GENM

4.1 The Purchaser. The Purchaser is a private company incorporated in the Isle of Man as a limited liability company on 14 April 2010 and is an indirect wholly owned subsidiary of GENM. The Purchaser is an investment holding company.

4.2 GENM. GENM is a company limited by shares incorporated in Malaysia on 7 May 1980 and has been listed on the Main Market of Bursa Malaysia Securities Berhad since 22 December 1989.

GENM is currently principally involved in the leisure, hospitality and entertainment business in Malaysia with its main focus in the operations of Resorts World Genting, a premier family leisure and entertainment resort at the peak of Genting Highlands that attracted 19.5 million visitors in 2009.

5. INFORMATION ON THE SALE GROUP

5.1 Background. The Group acquired the UK Casino Operations in 2006 for a total consideration of approximately £626,905,000 (equivalent to approximately S\$1,861,785,000⁴) (excluding advisory fees) by way of:

- 5.1.1 the acquisition of 100 per cent. ownership of Coastbright Limited on 7 March 2006 from various parties, including GENUK, for an aggregate consideration of approximately £13,750,000 (equivalent to approximately S\$40,599,000⁵) (excluding advisory fees); and

⁴ Based on the then prevailing exchange rate of £1 : S\$2.96980.

⁵ Based on the then prevailing exchange rate of £1 : S\$2.95265.

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- 5.1.2 the acquisition of 100 per cent. ownership of GENUK on 6 October 2006, by way of the acquisition of shares of GENUK from GOHL and Lord Leonard Steinberg, the then non-executive Chairman of GENUK, followed by a successful takeover offer by the Company of the remaining shares of GENUK, for an aggregate consideration of approximately £613,155,000 (equivalent to approximately S\$1,821,186,000⁶) (excluding advisory fees).

The acquisition was an effort to consolidate a number of strategic investments that the Group had made in the United Kingdom and to allow the Group to gain a stronger foothold in the gaming market in the United Kingdom which presented potential opportunities offered by the deregulation of the industry. A schematic representation summarising the current Group structure (including the Sale Companies and the key companies in the Group) is set out in Appendix II to this Circular. The Company's total cost of investment in the Sale Companies as at the Latest Practicable Date is in aggregate approximately £699.4 million (equivalent to approximately S\$1.4 billion), details of which are set out in Appendix III to this Circular.

5.2 Sale Companies. Information on each of the Sale Companies is set out below.

- 5.2.1 **GIE.** GIE is a private limited company incorporated in Singapore on 3 March 2008 and is a direct wholly-owned subsidiary of the Company. As at the Latest Practicable Date, GIE has an issued share capital of S\$126,860,001 comprising 20,985,001 fully paid ordinary shares issued at S\$1 each and 105,875 fully paid preference shares issued at S\$1,000 each.

GIE is an investment holding company and has an outstanding credit facility of approximately £35 million with DBS Bank Ltd as at 31 March 2010. This facility was taken up to partially refinance the acquisition by the Company of GENUK in 2006.

- 5.2.2 **Nedby.** Nedby is a private company incorporated in the Isle of Man as a limited liability company on 28 September 2004 and is a direct wholly-owned subsidiary of the Company. As at the Latest Practicable Date, Nedby has an issued share capital of £623,439,899 comprising 394,021,354 fully paid ordinary shares of £1 each and 26,676,575 fully paid ordinary shares of £8.60 each.

Nedby is an investment holding company. Its main operating subsidiaries are GENUK and Genting Casinos. Genting Casinos, a subsidiary of GENUK, is the casino licence holder and the primary operator of the UK Casino Operations and operates 43 of the 44 casinos in the UK Casino Operations.

- 5.2.3 **PSL.** PSL is a private company incorporated in the Isle of Man as a limited liability company on 29 September 2003 and is a direct wholly-owned subsidiary of the Company. As at the Latest Practicable Date, PSL has an issued share capital of USD23,427,094 comprising 23,427,094 fully paid ordinary shares issued at USD1 each.

PSL is an investment holding company while its main operating subsidiary, Coastbright Limited, is the casino licence holder and operator of the Maxims Casino Club in London.

- 5.2.4 **PWL.** PWL is a private company incorporated in the Isle of Man as a limited liability company on 15 November 2004 and is a direct wholly-owned subsidiary of the Company. As at the Latest Practicable Date, PWL has an issued share capital of USD416,571 comprising 416,571 fully paid ordinary shares issued at USD1 each.

PWL is an investment holding company while its subsidiary, PWL(UK), has the right to use certain trade marks in relation to casino and/or associated businesses carried on by the Sale Group throughout the United Kingdom, excluding London.

⁶ Based on the then prevailing exchange rate of £1 : S\$2.97019.

LETTER TO SHAREHOLDERS

The proforma consolidated unaudited management accounts of the Sale Group for the period from 1 January 2010 to 31 March 2010 (the “**Proforma Accounts**”) is set out in Appendix IV to this Circular.

Based on the unaudited consolidated proforma balance sheet of the Sale Group as at 31 March 2010⁷, the book value of the Sale Group is approximately £288.9 million (equivalent to approximately S\$585.3 million).

- 5.3 Post Completion.** Upon completion of the Proposed Divestment, the business and assets of the Group will principally comprise RWS and other businesses, including online casino operations, the provision of international marketing and sales co-ordinator services and the provision of information technology application related services to leisure and hospitality related businesses.

6. RATIONALE AND BENEFITS FOR THE PROPOSED DIVESTMENT

The Company remains committed to growing its standing as a leading global player in the leisure, hospitality and gaming sectors by leveraging and capitalising on its experience as the builder and operator of Singapore’s iconic RWS. The successful launch of RWS earlier this year has reinforced the Company’s belief that it should focus its strategy and resources to fully develop RWS’ potential and underpin its growth strategy, as more particularly described below.

- 6.1 “Narrow” Synergies.** RWS, which is unprecedented in terms of scale of development and its diverse world class tourism destination product offerings of, amongst others, a world class casino, hotels, restaurants, retail, theatre, a convention centre, oceanarium and theme park all within a single captive destination, exacts a complex management focus and is very distinct from that of the UK Casino Operations which comprises 44 casino-centric properties spread throughout England and Scotland. There are “narrow” synergies between RWS and the UK Casino Operations, and the Board is of the view that in the medium term, given the magnitude of the continuing task ahead for RWS, management energy and focus would be better spent on RWS. Even though RWS delivered commendable results in the first quarter of 2010, it is felt that the Proposed Divestment will result in further benefits as management will be able to concentrate on the continuing development of RWS to maximise revenue potential.
- 6.2 Company Strength and Focus.** With the successful development of RWS, the Board, together with the management, believes that the Company should focus on large scale integrated resorts or large casino concepts. Such focus allows the Company to capitalize on its experience, expertise, skills, licensure and reputation that in “green field” projects will most certainly present a more compelling proposition for entry into certain strategic gaming jurisdictions. The financial resources arising from the Proposed Divestment will provide the Company with the financial flexibility to maintain its strength and strategically engage new opportunities or enter new markets where appropriate.
- 6.3 Remaining Competitive.** As the first integrated resort in Singapore, RWS has first mover advantage and will need to continue to be highly competitive, not only in Singapore but also within the region. The monetisation of the UK Casino Operations will provide even greater financial stability for RWS to operate in a competitive environment, both in terms of customer acquisition, marketing and brand development. The establishment of RWS’ market leadership position is encouraging and this requires resource strength.
- 6.4 Symbiotic Relationship.** As the Company and the Purchaser are both within the GENT group of companies, the Proposed Divestment would result in the UK Casino Operations remaining within the GENT group of companies, thus allowing preservation of brand value and quality. There is also potential for cross and joint-marketing which will facilitate brand propagation and enhance the brand equity of the GENT group of companies of which the Company is a member.

⁷ This represents the unaudited consolidated balance sheet of the Sale Group as at 31 March 2010, adjusted for repayment of external bank borrowings in April/May 2010, taxation and increase in share capital up to 30 June 2010.

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7. INTERESTED PERSON TRANSACTION

7.1 Chapter 9 of the Listing Manual. Chapter 9 of the Listing Manual governs transactions by an issuer (i.e., a company which is listed on the SGX-ST), as well as transactions by the issuer's subsidiaries and associated companies that are considered to be "at risk", with the issuer's interested persons (i.e., the issuer's directors, chief executive officer, controlling shareholders and their respective associates). In general, when this Chapter applies to a transaction with an interested person and the value of the transaction singly, or, on aggregation with the values of other transactions entered into with the same interested person in the same financial year equals or exceeds five per cent. of the listed company's latest audited consolidated NTA, that transaction shall be subject to the approval of the shareholders of the listed company.

As at the Latest Practicable Date, GENT has, through its wholly-owned subsidiary GOHL, a deemed interest in 6,295,862,269 Shares, representing approximately 51.73 per cent. of the Shares in issue. As at that date, GENT also has a direct interest in 2,795,789,159 ordinary shares in the capital of GENM ("**GENM Shares**"), representing approximately 49.06 per cent. of the 5,698,575,548 GENM Shares in issue as at the Latest Practicable Date. The Purchaser is a wholly-owned subsidiary of Genting Worldwide Limited, which is in turn a wholly-owned subsidiary of GENM.

Under the Listing Manual, GENT is deemed to be a "Controlling Shareholder" of the Company, as it indirectly holds more than 15 per cent. of the issued share capital of the Company and the Purchaser is considered an "Associate" of GENT, as GENT indirectly holds more than 30 per cent. of the issued share capital of the Purchaser. The Purchaser is also considered an Associate of Tan Sri Lim Kok Thay, the Executive Chairman of the Company⁸, based on Tan Sri Lim Kok Thay's indirect interest in the Purchaser via GENT⁹. Therefore, for the purposes of Chapter 9 of the Listing Manual, the Purchaser would be considered an "interested person" vis-à-vis the Company and the Proposed Divestment constitutes an interested person transaction under Chapter 9 of the Listing Manual.

7.2 Shareholders' Approval. The Proposed Divestment is subject to the approval of the Shareholders in accordance with Chapter 9 of the Listing Manual because the Purchase Price for the Proposed Divestment is more than five per cent. of the audited NTA of the Group of approximately S\$3,011,234,000, as at 31 December 2009, being the latest available audited NTA of the Group.

7.3 No Other Interest. Save as disclosed in this Circular, none of the directors or Controlling Shareholders, save for any Shares or GENM Shares which they may hold, have any interest in the Proposed Divestment.

7.4 Abstention. The Purchaser will abstain, and will undertake to ensure that its Associates, including GENT, GOHL and Tan Sri Lim Kok Thay, will abstain from voting on the Ordinary Resolution. In addition, the Purchaser will not, and will ensure that its Associates, including GENT, GOHL and Tan Sri Lim Kok Thay, do not, accept any proxy nominations from Shareholders.

⁸ Tan Sri Lim Kok Thay is also Chairman and Chief Executive of each of GENT and GENM. Tan Sri Lim Kok Thay has a direct interest in 987,600 Shares, representing approximately 0.0081 per cent. of Shares and, through Parkview, a deemed interest in 6,296,005,069 Shares representing approximately 51.73 per cent. of Shares. Parkview is deemed to be interested in the Shares held through Kien Huat Realty Sdn Berhad ("**KHR**"). KHR is, in turn, deemed to be interested in the Shares held by its subsidiaries and through GENT. Parkview acts as the trustee of a discretionary trust, of which Tan Sri Lim Kok Thay is one of the beneficiaries. 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.

⁹ Tan Sri Lim Kok Thay has a direct interest in 1,660,000 GENM Shares, representing approximately 0.0291 per cent. of GENM Shares and, through Parkview, an indirect interest in 2,773,176,089 GENM Shares representing approximately 48.67 per cent. of GENM Shares. Parkview is deemed to be interested in the GENM Shares held through KHR. KHR is, in turn, deemed to be interested in the GENM Shares held by its subsidiaries and through GENT. As described in footnote 8, on account of Tan Sri Lim Kok Thay being a beneficiary of the discretionary trust (of which Parkview acts as the trustee), he is deemed interested in the GENM Shares by virtue of the deemed interest of Parkview.

LETTER TO SHAREHOLDERS

7.5 Total Value of Interested Person Transactions¹⁰. As at the Latest Practicable Date, based on the latest information available to the Company, since the beginning of the current financial year:

7.5.1 General IPT Mandate

- (i) the Group has not entered into any interested person transactions with the Purchaser pursuant to the General IPT Mandate;
- (ii) the total value of all interested person transactions entered into by the Group with the GENM Group pursuant to the General IPT Mandate is S\$18,340,086; and
- (iii) the total value of all interested person transactions entered into by the Group pursuant to the General IPT Mandate is S\$20,903,070; and

7.5.2 Non-Mandated Transaction

- (i) the Group has not entered into any interested person transactions with the Purchaser which are not pursuant to the General IPT Mandate;
- (ii) the total value of all interested person transactions entered into by the Group with the GENM Group which are not pursuant to the General IPT Mandate is S\$186,297; and
- (iii) the total value of all interested person transactions entered into by the Group which are not pursuant to the General IPT Mandate is S\$11,518,710.

8. ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS

8.1 IFA. KPMG has been appointed as the IFA in relation to the Proposed Divestment. Shareholders should consider carefully the recommendation of the Independent Directors and the opinion of KPMG to the Independent Directors. KPMG's advice is set out in its letter to the Independent Directors dated 30 July 2010 (the "IFA Letter"), which is set out in Appendix V to this Circular.

8.2 Opinion of KPMG. Based on the considerations set out in the IFA Letter, KPMG is of the opinion that the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

9. VIEW OF THE AUDIT COMMITTEE

The Audit Committee has considered the terms of the Proposed Divestment and the opinion of KPMG set out in the IFA Letter. The Audit Committee is of the view that the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

10. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

10.1 Recommendation of the Independent Directors. Having considered the terms of, and the rationale and benefit of the Proposed Divestment, as well as the opinion of KPMG set out in the IFA Letter that the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, the Independent Directors are of the view that the Proposed Divestment is in the best interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Ordinary Resolution at the EGM.

As set out in Section 7.1 above, the Purchaser is an Associate of Tan Sri Lim Kok Thay. As such, Tan Sri Lim Kok Tay is not considered to be independent in relation to the Proposed Divestment and he has accordingly abstained from making any recommendation to Shareholders.

¹⁰ The value of interested person transactions set out in Section 7.5 excludes certain transactions less than S\$100,000.

LETTER TO SHAREHOLDERS

10.2 No Regard to Specific Objectives. In giving the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have a different investment portfolio, objectives and considerations, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

11. NET PROCEEDS AND FINANCIAL EFFECTS

11.1 Net Proceeds¹¹. If the Proposed Divestment is completed, the Company will receive net proceeds of approximately S\$688.8 million. The excess of the net proceeds over the book value of the Sale Group is approximately S\$103.6 million.

In addition, based on the accounting policy of the Group, the exchange differences arising from the translation of the net investment in the Sale Group that were previously recorded in equity are to be recognised in the profit or loss account as part of the gain or loss on sale. On completion of the Proposed Divestment, the exchange translation losses to be transferred from equity to the profit or loss account are approximately S\$338.8 million.

Based on the foregoing, taking into account the impact of the exchange translation losses, if the Proposed Divestment is completed, the Company will record a net loss on sale of S\$235.2 million in its profit or loss account.

11.2 Use of Proceeds. The net proceeds of the Proposed Divestment will be used to enhance RWS' marketing and brand development, the Company's working capital needs and may also be deployed for strategic growth opportunities in the Group's core businesses in the leisure, hospitality and gaming sectors, when such opportunities arise. Pending the deployment of any unutilised proceeds, such amount will be deposited with banks and/or financial institutions and/or invested in short term money markets or debt instruments as the Directors may, in their absolute discretion, deem fit from time to time. The amount of proceeds to be applied to these purposes has not been determined at this time. As and when material disbursement of the net proceeds from the Proposed Divestment is made, the Company will make an announcement.

11.3 Financial Effects. For illustrative purposes only, the financial effects of the Proposed Divestment on the NTA per Share and earnings per Share, based on the audited consolidated financial statements of the Group for FY2009, are set out below.

11.3.1 NTA. Assuming that the Proposed Divestment had been completed on 31 December 2009, being the end of the most recently completed financial year of the Group, and based on the audited consolidated financial statements of the Group for FY2009, the effect on the NTA per share of the Company as at 31 December 2009 would be as follows:

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$'000)	3,011,234	2,712,649
NTA per share (cents)	25.76	23.20

¹¹ Before taking into account the fees and expenses which may be incurred in connection with the Proposed Divestment.

LETTER TO SHAREHOLDERS

11.3.2 Earnings. Assuming that the Proposed Divestment had been completed on 1 January 2009, being the beginning of the most recently completed financial year of the Group, and based on the audited consolidated financial statements of the Group for FY2009, the effect on the earnings per share of the Company for FY2009 would be as follows:

	Before Proposed Disposal	After Proposed Disposal
Loss after tax and minority interests (S\$'000)	277,565	884,616
Weighted average number of shares ('000)	10,491,641	10,491,641
Basic loss per share (cents)	2.65	8.43
Diluted loss per share (cents)	2.65	8.43

12. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

12.1 Interests of Directors. As at the Latest Practicable Date, the interests of the Directors in the Shares based on information recorded in the Register of Directors' Shareholdings maintained by the Company are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Lim Kok Thay ⁽¹⁾	987,600	0.0081	– ⁽¹⁾	–
Mr. Tan Hee Teck	1,606,600	0.0132	9,600	0.00008
Mr. Tjong Yik Min	835,600	0.0069	–	–
Mr. Lim Kok Hoong	156,000	0.0013	–	–
Mr. Koh Seow Chuan	40,000	0.0003	100,000	0.00082

12.2 Interests of Substantial Shareholders. As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares based on information as recorded in the Register of Substantial Shareholders maintained by the Company are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Genting Overseas Holdings Limited	6,295,862,269	51.73	–	–
Genting Berhad ⁽²⁾	–	–	6,295,862,269	51.73
Kien Huat Realty Sdn Berhad ⁽³⁾	–	–	6,296,005,069	51.73
Parkview Management Sdn Bhd ⁽⁴⁾	–	–	6,296,005,069	51.73

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Notes to Sections 12.1 and 12.2:

- (1) Tan Sri Lim Kok Thay is the Executive Chairman of the Company. He is a director of GENT, certain companies within the Group and certain companies which are substantial shareholders of GENT. Tan Sri Lim Kok Thay is also one of the beneficiaries of a discretionary trust, the trustee of which is Parkview (see note (4) below for information on this trust). 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. The deemed interests of Parkview in the Shares are explained in note (4) below. 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.
- (2) GOHL is a wholly-owned subsidiary of GENT. Therefore, GENT is deemed to be interested in the Shares held by GOHL.
- (3) KHR and its wholly-owned subsidiaries namely Alocasia Sdn Bhd, World Management Sdn Bhd, Inverway Sdn Bhd and Tinehay Holdings Limited collectively own 39.60 per cent. of the issued share capital of GENT. KHR is deemed to be interested in the Shares held by its subsidiaries and through GENT.
- (4) Parkview acts as the trustee of a discretionary trust established for the benefit of certain family members of the late Tan Sri (Dr.) Lim Goh Tong. The board members of Parkview are Puan Sri Lim (nee Lee) Kim Hua (the mother of the Executive Chairman of the Company), Tan Sri Lim Kok Thay and Dato' Joseph Lai Khee Sin. They perform their duties as directors of Parkview independently for the best interest of the discretionary trust. Parkview, through its wholly-owned companies (being Aranda Tin Mines Sdn Bhd, Infomark (Malaysia) Sdn Bhd, Inforex Sdn Bhd, Dataline Sdn Bhd and Info-Text Sdn Bhd), own the entire issued share capital of KHR. As such, Parkview is deemed to be interested in the Shares held through KHR. Parkview is owned by Amaline (M) Sdn Bhd (a company controlled by Tan Sri Lim Kok Thay), Puan Sri Lim (nee Lee) Kim Hua, Tan Sri Lim Kok Thay, Mr Yap Chong Chew, Ms Rosalind Niap Kam Lian and Mr Gerard Lim Ewe Keng each holding one share respectively.

13. EXTRAORDINARY GENERAL MEETING

13.1 EGM. The EGM will be held at West Ballroom, Resorts World Convention Centre, Basement 2, Resorts World Sentosa, 8 Sentosa Gateway, Singapore 098269 on 18 August 2010 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the Ordinary Resolution as set out in the Notice of EGM.

13.2 Right to Vote. A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, 48 hours before the EGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders will find the Notice of EGM set out in this Circular and the member proxy form or, as the case may be, the depositor proxy form accompanying this Circular.

If a Member is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the member proxy form accompanying this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company at its registered office at International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles not later than 48 hours before the time fixed for the EGM and any adjournment thereof. Completion and return of the member proxy form by a Member will not prevent him from attending and voting at the EGM if he so wishes.

A Depositor holding Shares through the CDP who wishes to nominate a person or persons other than himself as proxy or proxies appointed by the Depository should complete, sign and return the depositor proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Share Transfer Agent's office in Singapore, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 not later than 48 hours before the time fixed for the EGM and any adjournment thereof.

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15. FURTHER INFORMATION

15.1 Discloseable Transaction. The relative figures for the Proposed Divestment computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Sale Group ¹² compared with the net asset value of the Group based on the latest announced Condensed Interim Financial Information of the Group for the three months ended 31 March 2010	14.51
(b)	Net profit attributable to the Sale Group compared with the net profit of the Group based on the latest announced Condensed Interim Financial Information of the Group for the three months ended 31 March 2010	Not applicable
(c)	Aggregate value of the Purchase Price compared with the market capitalisation of the Company as at 30 June 2010, being the market day preceding the date of the Announcement	4.89
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable

As the relative figure under Rule 1006(a) exceeds 5 per cent. but does not exceed 20 per cent., the Proposed Divestment constitutes a “discloseable transaction” but not a “major transaction” as respectively defined in Chapter 10 of the Listing Manual.

Notes to Section 15.1:

- (1) The latest announced Condensed Interim Financial Information of the Group for the three months ended 31 March 2010 have been reviewed by PricewaterhouseCoopers, Malaysia (“**PwC Malaysia**”) in accordance with International Standards on Review Engagement 2400 - Engagement to Review Financial Statements. The scope of PwC Malaysia’s review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures; and a review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing.

PwC Malaysia’s conclusion of the review as set out in the Independent Review Report to the Board of Directors of the Company dated 13 May 2010 states that nothing has come to PwC Malaysia’s attention that causes PwC Malaysia to believe that the Condensed Interim Financial Information of the Group for the three months ended 31 March 2010 has not been properly prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting”.

The conclusion of PwC Malaysia’s review of the Condensed Interim Financial Information of the Group for the three months ended 31 March 2010 should be read in the context of the Condensed Interim Financial Information of the Group for the three months ended 31 March 2010 and the full Independent Review Report to the Board of Directors of the Company dated 13 May 2010, copies of which are available on the website of SGX-ST at www.sgx.com.

- (2) The figure for Rule 1006(a) of the Listing Manual was computed based on the unaudited net asset value of the Sale Group as at 31 March 2010 of approximately S\$610,204,000 divided by the unaudited net asset value of the Group as at 31 March 2010 of approximately S\$4,206,285,000.
- (3) In respect of the figure for Rule 1006(b) of the Listing Manual, based on the Group’s unaudited financial statements for the three-month period ended 31 March 2010, the Group incurred a total net loss before tax and minority interests of S\$377,892,000. The net loss before tax and minority interests attributable to the Sale Group was S\$476,639,000 (primarily due to impairment loss from intangible assets), representing approximately 126.13 per cent of the total net loss of the Group.

Pursuant to the IAS 36 Impairment of Assets and in accordance with the Group’s accounting policy, assets that have an indefinite useful life, including goodwill and intangible assets, are tested at least annually for impairment. The Company considers both external and internal sources of information in assessing whether there is any indication for impairment on a regular basis. Where an indicator of impairment exists, goodwill and intangible assets requiring annual impairment reviews may need to be tested for impairment more than once a year.

¹² This represents the unaudited consolidated balance sheet of the Sale Group as at 31 March 2010, adjusted for repayment of external bank borrowings in April/May 2010, taxation and increase in share capital up to 30 June 2010.

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Following the general elections in the United Kingdom and taking into account the events leading up to the general elections from January to May 2010, the Company assessed the political environment in the United Kingdom and its likely impact on the economic climate in the United Kingdom. On the basis that the unfavourable economic climate in the United Kingdom is likely to continue, the Company tested for impairment for the first quarter of 2010 using the value-in-use calculation. This had resulted in an impairment loss on intangible assets relating to the United Kingdom casino operations of S\$478.1 million for the first quarter of 2010. The impairment review was conducted prior to the commencement of negotiations with the Purchaser concerning the Proposed Divestment and was conducted independently of the Proposed Divestment.

- (4) The figure for Rule 1006(c) of the Listing Manual was computed based on the Purchase Price of approximately S\$688,831,000 divided by the market capitalisation of the Company as at 30 June 2010 of approximately S\$14,091,769,000.
- (5) In respect of Rule 1006(d) of the Listing Manual, there are no equity securities issued by the Company as consideration for the Proposed Divestment.

15.2 Service Contracts. No person is proposed to be appointed as a director of the Company in connection with the Proposed Divestment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

15.3 Consent of KPMG. KPMG has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto in the form and context in which they appear in this Circular.

15.4 Material Contracts. As at the Latest Practicable Date, the Company and the other members of the Group have not entered into any material contracts which are outside the ordinary course of business of the Company or the other members of the Group in the last two years, save for the following:

15.4.1 on 4 June 2008, the Company announced that the Company's wholly-owned subsidiary, Genting Stanley (Solihull) Limited, had entered into a partnership with The NEC Group for a proposed circa £90 million development of a Leisure and Entertainment Complex at The National Exhibition Centre in Birmingham, the United Kingdom; and

15.4.2 on 14 December 2009, the Company announced that the Company's indirect wholly-owned subsidiary, Genting Casinos Limited, had entered into a casino concession agreement with Misr Hotels Company for the operation of the casino at The Nile Ritz Carlton Hotel, Cairo, Egypt.

15.5 No Material Litigation. As at the Latest Practicable Date, no legal proceedings have been instituted against the Company or any other member of the Group and no judgment has been entered against the Company or any other member of the Group in the last two years, which would have a material and adverse effect on the Group or its assets.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular (other than the IFA Letter for which the IFA has assumed responsibility) are fair and accurate in all material respects as at the date of this Circular and that there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been reproduced from publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately reproduced in this Circular.

LETTER TO SHAREHOLDERS

17. DOCUMENTS FOR INSPECTION

Copies of the Agreement are available for inspection by Shareholders during normal business hours at the registered office of the Company at International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles for a period of three months from the date of the Announcement.

In addition, a copy of the following documents will be available for inspection by Shareholders during normal business hours at the registered office of the Company at International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles from the date of this Circular up to the date of the EGM:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the annual report of the Company for FY2009; and
- (iii) the letter of consent referred to in Section 15.3 above.

Yours faithfully
For and on behalf of the Board of
GENTING SINGAPORE PLC

Tan Hee Teck
Director / President and Chief Operating Officer

OTHER MATERIAL TERMS OF THE PROPOSED DIVESTMENT

1. Sale Shares

Subject to the terms and conditions contained in the Agreement, the Sale Shares will be sold to the Purchaser free from all Encumbrances and with all rights attached thereto (including without limitation, all dividends and distributions paid or declared thereon) as from the date of the Agreement.

“**Encumbrances**” means any mortgage, charge, assignment, pledge, lien, option, pre-emption right, right of retention of title, or any other form of interest, security or obligation (conditional or otherwise) to create any of the same.

2. Capitalisation

Any amounts owing to the Company by each Relevant Company may be capitalised as new ordinary shares or preference shares in each of the Sale Companies, as the case may be, and issued and allotted to the Company in settlement of such amounts on or prior to Completion.

3. Company’s Representations and Warranties

The Company represents and warrants to the Purchaser that as at the date of the Agreement, all the Company’s representations, warranties and undertakings set out in Clause 9 and Schedule 3 of the Agreement (the “**Company’s Warranties**”) are true and accurate subject to any matter which is disclosed in or pursuant to the Disclosure Letter and any matter referred to in the Accounts or expressly provided for under the Agreement.

“**Disclosure Letter**” means the letter of even date with the Agreement, including any documents attached thereto, delivered by the Company to the Purchaser five Business Days from the date of the Agreement, disclosing information constituting exceptions to the Company’s Warranties and details of other matters referred to in the Agreement.

4. Company’s Tax Indemnities

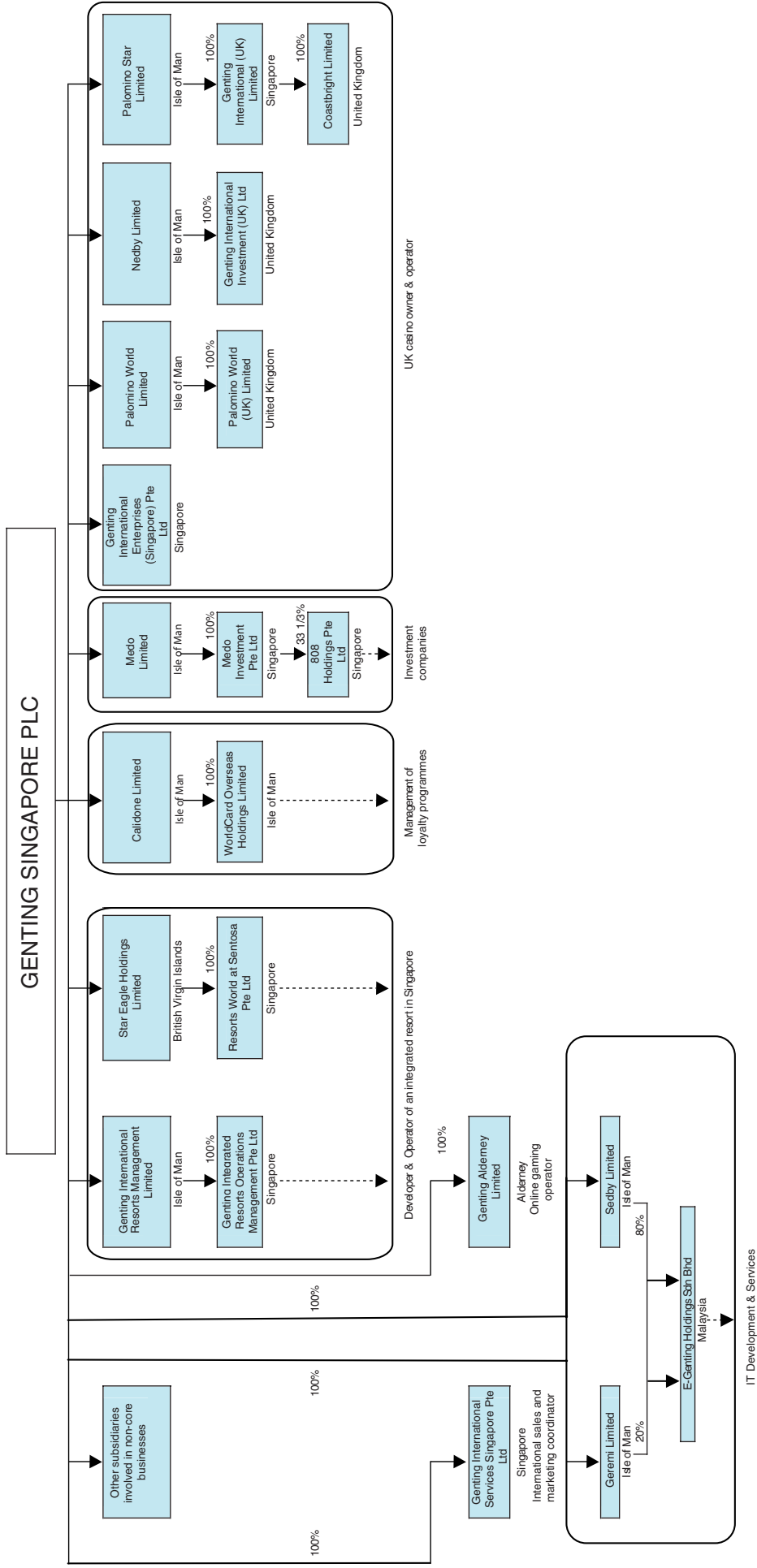
The Company has provided a tax indemnity to the Purchaser to indemnify the Purchaser for tax liability of the Sale Group that arises after Completion but which relates to the business of the Sale Group that was carried on up to the Completion Date, but which was not provided for in the financial statements of the Relevant Company or which remain unpaid at Completion. The tax indemnity is provided together with appropriate limitations to the scope of the indemnity thereof.

5. Force Majeure

Neither the Company nor the Purchaser shall be liable to the other party for non-performance or delay in performance of any of its obligations under the Agreement resulting from any act of God, flood, fire, war, riot, civil commotion, natural catastrophe, strike, act of government or change of law, provided that the Company and the Purchaser shall in good faith cooperate to resolve such non-performance or delay and failing which, the party claiming force majeure shall use its best endeavours to resume performance at the earliest practicable time.

APPENDIX II

CURRENT GROUP STRUCTURE



APPENDIX III

TOTAL COST OF INVESTMENT IN THE SALE COMPANIES

The original cost of investment of the Company in the Sale Companies is as follows:

Sale Companies	Date of investment	Details of investment	Original cost of investment £
Nedby	7 September 2006	Subscription of 2 new ordinary shares of £1 each in Nedby at £1 per share, as subscriber shares.	2
	13 October 2006	Subscription of 26,676,575 new ordinary shares of £1 each in Nedby at £8.60 per share in satisfaction of the acquisition by Nedby of 26,676,575 ordinary shares of 25p each in GENUK at £8.60 per share from the Company.	229,418,545
	26 September 2008	Subscription of 30,000,000 new ordinary shares of £1 each in Nedby at £1 per share. Nedby in turn increased its investment in its wholly owned subsidiary, Genting International Investment (UK) Limited (“GIUK”), which in turn increased its investment in GENUK to enable GENUK to reduce its level of debts.	30,000,000
	25 June 2010	Subscription of 364,021,352 new ordinary shares of £1 each in Nedby at £1 per share for the settlement of inter-company balances.	364,021,352
			623,439,899
PSL			US\$
	29 September 2003	Subscription of 100 new ordinary shares of US\$1 each in PSL at US\$1 per share, as subscriber shares.	100
	25 June 2010	Subscription of 23,426,994 new ordinary shares of US\$1 each in PSL at US\$1 per share for the settlement of inter-company balances.	23,426,994
			23,427,094

APPENDIX III

Sale Companies	Date of investment	Details of investment	Original cost of investment US\$
PWL	19 November 2004	Subscription of 2 new ordinary shares of US\$1 each in PWL at US\$1 per share as subscriber shares.	2
	25 June 2010	Subscription of 416,569 new ordinary shares of US\$1 each in PWL at US\$1 per share for the settlement of inter-company balances.	416,569
			416,571
			S\$
GIE	5 March 2008	Subscription of 1 new ordinary share in GIE at an issue price of S\$1 as a subscriber share.	1
	13 November 2008	Subscription of 20,985,000 new ordinary shares in GIE at an issue price of S\$1 each to enable GIE to reduce its level of debts.	20,985,000
	31 December 2009	Subscription of 30,675 convertible non-cumulative redeemable preference shares in GIE at an issue price of S\$1,000 each for funding the repayment of GIE's bank borrowings and the inter-company loan.	30,675,000
	31 May 2010	Subscription of 95,000 convertible non-cumulative redeemable preference shares in GIE at an issue price of S\$1,000 each for funding the repayment of the inter-company loan.	95,000,000
	28 June 2010	Redemption of 19,800 convertible non-cumulative redeemable preference shares in GIE at a redemption price of S\$1,000 each.	(19,800,000)
			126,860,001
			Total: £699,357,191⁽¹⁾

Note:

(1) Based on the exchange rate of £1 : US\$1.5064 and £1 : S\$2.1112 respectively.

APPENDIX IV

PROFORMA ACCOUNTS OF THE SALE GROUP FOR THE PERIOD FROM 1 JANUARY 2010 TO 31 MARCH 2010

(a) Proforma Sale Group

The Proforma Accounts below have been prepared for illustration purposes only (and is subject to the completion of the legal, financial and taxation due diligence audit and review by auditors of the Purchaser) as consolidated financial statements of the Sale Group was not prepared for the year/period under review as the Sale Group was not constituted as a legal group.

	For the year ended 31 December 2009 £ 000	Proforma for 3 months ended 31 March 2010 ⁽¹⁾ £ 000
Revenue	194,097	52,172
Operating profit	14,922	1,326
Profit/(loss) before taxation	9,966	(225,936) ⁽²⁾
Net profit/(loss)	6,658	(184,625)⁽²⁾
NA	56,196	288,883
Total borrowings	126,811	99,158
Gearing (times) ⁽³⁾	2.26	0.34

Notes:

- (1) The proforma 3 months ended 31 March 2010 was prepared after adjusting for, amongst others, repayment of external bank borrowings of £30 million in April/May 2010, the reversal of deferred tax liabilities to taxation in the profit or loss amounting to approximately £41.9 million and the increase in share capital amounting to approximately £415.7 million up to 30 June 2010 (which includes conversion of an amount owing to the Company by the Sale Group of approximately £380.1 million into equity and new capital injection by the Company of approximately £45.0 million which was offset by the redemption of preference shares issued to the Company of approximately £9.4 million).
- (2) Inclusive of an impairment of intangibles amounting to approximately £226.6 million.
- (3) Computed based on total borrowings divided by NA.

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(b) Nedby

The proforma group accounts of the Nedby Group below has been prepared for illustration purposes only (and is subject to the completion of the legal, financial and taxation due diligence audit and review by auditors of the Purchaser) as consolidated financial statements of the Nedby Group was not required by law to be prepared for the year/period under review.

	For the year ended 31 December 2009 £ 000	Proforma for 3 months ended 31 March 2010 ⁽¹⁾ £ 000
Revenue	186,816	49,725
Operating profit	13,618	2,137
Profit/(loss) before taxation	8,523	(225,267) ⁽²⁾
Net profit/(loss)	5,640	(184,185)⁽²⁾
Paid up capital	56,677	420,698
NA	31,655	211,491
Total borrowings	94,330	64,333
Gross earnings per share (“EPS”) (£) ⁽³⁾	0.29	0.02
Net EPS/(loss per share (“LPS”)) (£) ⁽⁴⁾	0.10	(0.44)
NA per share (£) ⁽⁵⁾	0.56	0.50
Dividends (%)	–	–
Gearing (times) ⁽⁶⁾	2.98	0.30

Notes:

- (1) The proforma 3 months ended 31 March 2010 was prepared after adjusting for, amongst others, repayment of external bank borrowings of £30 million in April/May 2010, the reversal of deferred tax liabilities to taxation in the profit or loss amounting to approximately £41.9 million and the conversion of an amount owing to the Company by the Nedby Group of approximately £364.0 million into equity up to 30 June 2010.
- (2) Inclusive of an impairment of intangibles amounting to approximately £226.6 million.
- (3) Computed based on gross profit/(loss) divided by the number of ordinary shares.
- (4) Computed based on net profit/(loss) divided by the number of ordinary shares.
- (5) Computed based on NA divided by the number of ordinary shares.
- (6) Computed based on total borrowings divided by NA.

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(c) PSL

The proforma group accounts of the PSL Group has been prepared for illustration purposes only (and is subject to the completion of the legal, financial and taxation due diligence audit and review by auditors of the Purchaser) as consolidated financial statements of the PSL Group was not required by law to be prepared for the year/period under review.

	For the year ended 31 December 2009 £ 000	Proforma for 3 months ended 31 March 2010 ⁽¹⁾ £ 000
Revenue	7,280	2,448
Operating profit/(loss)	1,367	(803)
Profit/(loss) before taxation	1,367	(803)
Net profit/(loss)	942	(574)
Paid up capital	*(2)	15,792
NA	2,003	17,222
Total borrowings	–	–
Gross EPS/(LPS) (£) ⁽³⁾	19,664	(0.04)
Net EPS/(LPS) (£) ⁽⁴⁾	9,418	(0.02)
NA per share (£) ⁽⁵⁾	20,031	0.74
Dividends (%)	–	–
Gearing (times) ⁽⁶⁾	N/A	N/A

Notes:

- (1) The proforma 3 months ended 31 March 2010 was prepared after adjusting for the conversion of an amount owing to the Company by the PSL Group of approximately £15.8 million into equity.
- (2) Paid-up share capital of US\$100 comprising 100 ordinary shares.
- (3) Computed based on gross profit/(loss) divided by the number of ordinary shares.
- (4) Computed based on net profit/(loss) divided by the number of ordinary shares.
- (5) Computed based on NA divided by the number of ordinary shares.
- (6) Not applicable as the PSL Group does not have any borrowings.

(d) PWL

PWL, and its subsidiary PWL(UK), have not commenced operations as at 31 March 2010. Based on the proforma group accounts of the PWL Group as at 31 March 2010, the PWL Group has net assets of £113,008.

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(e) GIE

The following table contains the financial results of GIE.

	For the year ended 31 December 2009 £ 000	Proforma for 3 months ended 31 March 2010⁽¹⁾ £ 000
Revenue ⁽²⁾	1,160 ⁽³⁾	294 ⁽³⁾
Operating profit	1,102	288
Profit before taxation	80	136
Net profit	80	136
Paid up capital	22,830	60,058
NA	22,704	60,058
Total borrowings	32,482	34,825
Gross EPS (£) ⁽⁴⁾	0.06	0.01
Net EPS (£) ⁽⁶⁾	*(5)	0.01
NA per share (£) ⁽⁷⁾	1.08	2.86
Dividends (%)	–	–
Gearing (times) ⁽⁸⁾	1.43	0.58

Notes:

- (1) The proforma 3 months ended 31 March 2010 was prepared after adjusting for an increase in capital of approximately £35.6 million (which includes new capital injection by the Company into GIE of approximately £45.0 million which was offset against the redemption of preference shares issued to the Company of approximately £9.4 million).
- (2) Revenue is interest income from inter-company loans.
- (3) Comprised interest income which will be eliminated at the Sale Group level.
- (4) Computed based on gross profit divided by the number of ordinary shares.
- (5) Less than £0.01.
- (6) Computed based on net profit divided by the number of ordinary shares.
- (7) Computed based on NA divided by the number of ordinary shares.
- (8) Computed based on total borrowings divided by NA.
- (9) The functional and presentation currency of GIE is SGD. The financial information above are provided for illustration only translated to GBP using exchange rates at period end for presentation and proforma consolidation purposes.

The SGD/GBP rates used are	31 December 2009	0.44172
	31 March 2010	0.47342

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LETTER FROM KPMG TO THE INDEPENDENT DIRECTORS

The Independent Directors
Genting Singapore PLC
10 Sentosa Gateway
Sentosa
Singapore 098270

30 July 2010

Dear Sirs

PROPOSED DIVESTMENT OF GAMING OPERATIONS IN THE UNITED KINGDOM

INTRODUCTION

We refer to our engagement to advise the independent directors of Genting Singapore PLC ("**Genting Singapore**" or the "**Company**") (the "**Independent Directors**") with respect to the divestment of its gaming operations in the United Kingdom (the "**UK**"), details of which are contained in the circular dated 30 July 2010 to the shareholders of Genting Singapore (the "**Shareholders**") (the "**Circular**"), of which this letter forms a part. For the purpose of this letter, capitalised terms not otherwise defined herein shall have the same meaning as given to them in the Circular.

KPMG Corporate Finance has been appointed as the independent financial adviser to state whether the divestment is: (a) on normal commercial terms; and (b) prejudicial to the interests of the Company and its minority Shareholders. We do not, by this letter, warrant the merits or demerits of the divestment other than to form an opinion for the Independent Directors with respect to the divestment.

On 1 July 2010, Genting Singapore announced that it had agreed to sell its gaming operations in the UK, comprising Genting International Enterprises (Singapore) Pte Ltd, Nedby Limited, Palomino Star Limited and Palomino World Limited (collectively the "**Target Companies**") for a total cash consideration of £340 million (the "**Transaction Price**") (the "**Purchase Consideration**") (the "**Divestment**" or the "**Transaction**").

The Divestment will be made to Genting Worldwide (UK) Limited, which is wholly owned by Genting Malaysia Berhad ("**Genting Malaysia**" or the "**Purchaser**"). Genting Berhad holds a 49.1% interest in Genting Malaysia and a 51.7% interest in Genting Singapore. Accordingly, the Purchaser is considered to be an 'interested person' under the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") listing manual (the "**Listing Manual**"). As the aggregate value of the Purchase Consideration for the Divestment is more than 5.0% of the latest audited net tangible assets ("**NTA**") of Genting Singapore and its subsidiaries, its jointly controlled entities and its associates ("**Genting Singapore Group**"), the Divestment is subject to Shareholder approval in accordance with Rule 906(1)(a) of the Listing Manual.

TERMS OF REFERENCE

KPMG Corporate Finance was appointed by the Independent Directors to advise them on the Divestment. We were neither a party to the negotiations in relation to the Divestment, nor were we involved in the deliberations leading up to the decision by the Board of Directors of Genting Singapore (the "**Board**") to enter into the Divestment and its subsequent actions relating thereof. This letter is addressed solely to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the Divestment, and the recommendations made by them to the Shareholders shall remain the responsibility of the Independent Directors.

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Our opinion should not be relied on as a recommendation to any Shareholder as to how they should vote on the resolutions in relation to the Divestment, or any matters related thereto. In rendering our advice and giving our opinion, we did not have regard to the specific investment objectives, financial situation or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to their investment portfolio consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Our view is based upon market, economic, industry, monetary, and other conditions in effect on, and the information available to us, as at 21 July 2010 (the "**Latest Practicable Date**"). Such conditions can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date even if it might affect our opinion contained herein.

It is not within our terms of reference to evaluate or comment on the legal, strategic, and/or commercial merits and risks of the Divestment, or on the future growth prospects or earnings potential of Genting Singapore or the Target Companies should the Divestment be completed or not completed. We are not addressing the relative merits of the Divestment as compared to any alternative transaction previously considered by Genting Singapore or transactions that Genting Singapore may consider in the future, and as such, we do not express a view thereon. Such evaluations or comments are and remain the sole responsibility of the Board and the management of Genting Singapore although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

We have not conducted a comprehensive independent review of the business, operations or financial condition of Genting Singapore or the Target Companies. Further, the scope of our appointment does not require us to express an opinion on the future growth prospects of Genting Singapore following the Divestment, should it ultimately occur. We are therefore not expressing any opinion herein as to the prices at which the ordinary shares of Genting Singapore (the "**Shares**") may trade upon completion of the Divestment should that occur, or the future performance of Genting Singapore. For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the Target Companies.

In formulating our advice and opinion, we have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, opinions and facts provided to us by Genting Singapore, and its other professional advisers. We have also relied on the information contained in the various announcements made by Genting Singapore, as well as other public announcements, in relation to the Divestment.

Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information. Nevertheless, we have made such enquiries and judgment as we deemed necessary and have found no reason to doubt the accuracy of such information. We have also relied on the responsibility statement by the Board that the Circular and all documents relating to the Circular have been seen and approved by them and they collectively and individually accept responsibility for the information given, and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed in the Circular are fair and accurate and that there is no other material fact the omission of which would make any statement in the Circular misleading.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Our opinion in relation to the Divestment should be considered in the context of the entirety of our letter and the Circular.

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THE PROPOSED DIVESTMENT

Pursuant to a Sale and Purchase Agreement of Shares dated 1 July 2010 (the “SPA”), Genting Singapore agreed to sell its interest in the Target Companies, comprising of the following interests (the “Sale Shares”):

- 20,985,001 fully paid ordinary shares of S\$1.00 each and 105,875 fully paid preference shares of S\$1,000 each in the capital of Genting International Enterprises (Singapore) Pte Ltd, being the entirety of the issued capital;
- 394,021,354 fully paid ordinary shares of £1.00 each and 26,676,575 fully paid ordinary shares of £8.60 each in the capital of Nedby Limited, being the entirety of the issued capital;
- 23,427,094 fully paid ordinary shares of US\$1.00 each in the capital of Palomino Star Limited, being the entirety of the issued capital; and
- 416,571 fully paid ordinary shares of US\$1.00 each in the capital of Palomino World Limited, being the entirety of the issued capital.

The Transaction Price of £340 million was arrived at on a willing seller and willing buyer basis. According to the Company, various factors were considered in arriving at the Transaction Price, including a discounted cashflow model for the Target Companies based on the projected future earnings of the gaming operations in the UK owned by the Company, the net asset value of the Sale Shares and net debt adjustments.

If, during the legal, financial and taxation due diligence audit which is being carried out by the Purchaser on the Target Companies any liability is discovered to be accrued or incurred by the Target Companies (the “Due Diligence Deficit”) which is not provided for in the accounts of the Target Companies, the Purchase Consideration may be adjusted if the amount of the Due Diligence Deficit is more than £5 million.

In addition to any adjustment made to the Transaction Price as a result of the Due Diligence Deficit, the amount of the Purchase Consideration will be subject to further adjustment to account for any difference in the net debt position of the Target Companies as at 31 May 2010 and as at 20 June 2010 (to be ascertained by an auditor as mutually agreed by the Company and the Purchaser).

The Divestment is subject to the approval of the Shareholders at an extraordinary general meeting (“**Extraordinary General Meeting**”). The Purchaser will abstain, and will undertake to ensure that its Associates, including Genting Berhad, Genting Overseas Holdings Limited and Tan Sri Lim Kok Thay, will abstain from voting on the resolution in relation Divestment at the Extraordinary General Meeting. In addition, the Purchaser will not, and will ensure that its Associates, including Genting Berhad, Genting Overseas Holdings Limited and Tan Sri Lim Kok Tay, do not, accept any proxy nominations from Shareholders.

INFORMATION ON TARGET COMPANIES

Genting Singapore runs its casino operations in the UK through various entities which are ultimately owned by each of Nedby Limited and Palomino Star Limited. Genting International Enterprises (Singapore) Pte Ltd is a party to a financial facility which was taken up to partially refinance the acquisition of Genting UK PLC (formerly known as Stanley Leisure PLC) in 2006. Palomino World Limited, through its subsidiary Palomino World (UK) Limited, has the right to use certain trade marks which are used in connection with Genting Singapore’s casino operations in the UK.

Further to the above, a description of each of the Target Companies is as follows:

- Genting International Enterprises (Singapore) Pte Ltd is an investment holding company and has an outstanding credit facility of approximately £35 million with DBS Bank Ltd as at 31 March 2010. This facility was taken up to partially refinance the acquisition by the Company of Genting UK PLC in 2006.

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- Nedby Limited is an investment holding company. Its main operating subsidiaries are Genting UK PLC and Genting Casinos UK Limited. Genting Casinos UK Limited, a subsidiary of Genting UK PLC, is the casino license holder and the primary operator of the Genting Singapore's casino operations in the UK and operates 43 of the 44 casinos in the Company's casino operations in the UK.
- Palomino Star Limited is an investment holding company while its main operating subsidiary, Coastbright Limited, is the casino license holder and operator of the Maxims Casino Club in London.
- Palomino World Limited is an investment holding company while its subsidiary, Palomino World (UK) Limited, has the right to use certain trade marks in relation to casino and/or associated businesses carried on by the Target Companies throughout the UK, excluding London.

Genting Singapore Group acquired the casino operations in the UK in 2006 for a total consideration of approximately £626.9 million (excluding advisory fees) by way of:

- The acquisition of 100.0% ownership of Coastbright Limited on 7 March 2006 for consideration of approximately £13.8 million (excluding advisory fees).
- The acquisition of 100.0% ownership of Genting UK PLC on 6 October 2006 for consideration of approximately £613.2 million (excluding advisory fees). The acquisition was an effort to consolidate a number of strategic investments that Genting Singapore Group had made in the UK and to allow Genting Singapore Group to gain a stronger foothold in the gaming market in the UK which presented potential opportunities offered by the deregulation of the industry.

The total cost of investment in the Target Companies is in aggregate approximately £699.4 million.

EVALUATION OF THE DIVESTMENT

1. Rationale for the Divestment

The Directors state the rationale for the Divestment within the Circular. We have extracted this as follows:

The Company remains committed to growing its standing as a leading global player in the leisure and gaming sector by leveraging and capitalising on its experience as the builder and operator of Singapore's iconic RWS. The successful launch of RWS earlier this year has reinforced the Company's belief that it should focus its strategy and resources to fully develop RWS' potential and underpin its growth strategy, as more particularly described below.

"Narrow" synergies

Resorts World Sentosa Integrated Resort ("RWS"), which is unprecedented in terms of scale of development and its diverse world class tourism destination product offerings of, amongst others, a world class casino, hotels, restaurants, retail, theatre, a convention centre, oceanarium and theme park all within a single captive destination, exacts a complex management focus and is very distinct from that of the UK Casino Operations which comprises 44 casino-centric properties spread throughout England and Scotland. There are "narrow" synergies between RWS and the UK Casino Operations, and the Board is of the view that in the medium term, given the magnitude of the continuing task ahead for RWS, management energy and focus would be better spent on RWS. Even though RWS delivered commendable results in the first quarter of 2010, it is felt that the Proposed Divestment will result in further benefits as management will be able to concentrate on the continuing development of RWS to maximise revenue potential.

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Company strength and focus

With the successful development of RWS, the Board, together with the management, believes that the Company should focus on large scale integrated resorts or large casino concepts. Such focus allows the Company to capitalize on its experience, expertise, skills, licensure and reputation that in “green field” projects will most certainly present a more compelling proposition for entry into certain strategic gaming jurisdictions. The financial resources arising from the Proposed Divestment will provide the Company with the financial flexibility to maintain its strength and strategically engage new opportunities or enter new markets where appropriate.

Remaining competitive

As the first integrated resort in Singapore, RWS has first mover advantage and will need to continue to be highly competitive, not only in Singapore but also within the region. The monetisation of the UK Casino Operations will provide even greater financial stability for RWS to operate in a competitive environment, both in terms of customer acquisition, marketing and brand development. The establishment of RWS’ market leadership position is encouraging and this requires resource strength.

Symbiotic relationship

As the Company and the Purchaser are both within the GENT group of companies, the Proposed Divestment would result in the UK Casino Operations remaining within the GENT group of companies, thus allowing preservation of brand value and quality. There is also potential for cross and joint-marketing which will facilitate brand propagation and enhance the brand equity of the GENT group of companies of which the Company is a member.

2. Market based assessment of the Divestment

We have benchmarked the Transaction Price against transactions which we have identified as being comparable to the Divestment (“**Comparable Transactions**”) and the market valuations of listed companies that have operating businesses that are comparable with the business activities of the Target Companies (“**Comparable Companies**”).

In assessing the Comparable Transactions and Comparable Companies, we have considered the enterprise value-to-earnings before interest, taxation, depreciation and amortisation (“**EV/EBITDA**”) multiple. The EV/EBITDA multiple is a conventional valuation tool to measure the market value of casino and other gaming businesses. The EV/EBITDA multiple removes the distortions to value caused by capital structures, asset financing strategies and tax outcomes. This allows for more reliable benchmarking of value to other listed casinos and comparable businesses.

It should be noted that any comparisons made with respect to the Comparable Transactions and/or the Comparable Companies may not necessarily reflect the perceived market valuation of the Target Companies:

- The Comparable Transactions are not truly comparable to the Divestment in terms of the size of the transactions, and the terms agreed between buyers and sellers. Additionally, the companies represented in the Comparable Transactions vary from the Target Companies in terms of their composition of business activities, scale of operations, risk profile, geographical spread of activities, financial condition, track record, future prospects and other relevant criteria.
- The Comparable Companies are not truly comparable to the Target Companies in terms of composition of business activities, scale of operations, risk profile, geographical spread of activities, financial condition, track record, future prospects and other relevant criteria.

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Review of Comparable Transactions

Date	Target	Acquirer	Transaction EV/EBITDA	
			value (£m)	multiple
15 Mar 03	Gala Coral Group Limited	Candover Investments PLC and Cinven Ltd	1,240	14.8x
23 Nov 04	Stanley Leisure PLC	Palomino Sun (UK) Ltd	36	10.3x
01 Sep 05	Gala Coral Group Limited	Permira Advisers Ltd	200	13.1x
25 Jan 06	MLG Investments Ltd and Triangle Casino (Bristol Limited)	Stanley Leisure PLC	30	10.0x
31 Mar 06	Les Ambassadeurs Club Limited	Twinwood Ltd	115	7.5x
26 Oct 06	Stanley Leisure PLC	Genting International Investment (UK) Ltd	519	16.0x
14 Nov 06	London Clubs International PLC	Dagger Holdings Ltd	279	19.8x
			Min	7.5x
			Mean	13.1x
			Median	13.1x
			Max	19.8x
	The Divestment			14.1x

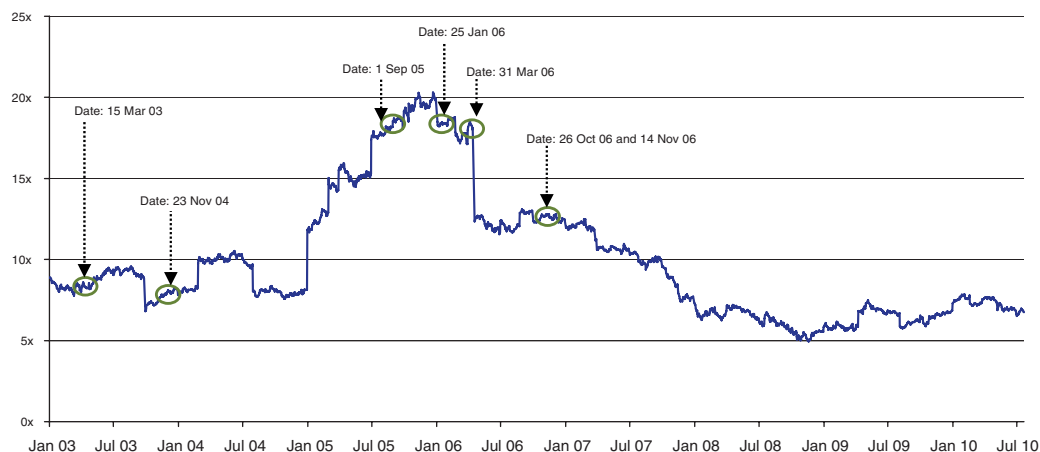
Source: Thomson Deals and Mergermarket

- *In March 2003, Candover Investments PLC and Cinven Ltd, both UK based private equity houses, completed their acquisition of 100.0% of Gala Coral Group Limited, the UK based gambling business, from CSFB Private Equity and PPM Capital for £1,240 million.*
- *In November 2004, Palomino Sun (UK) Ltd, a wholly owned subsidiary of Genting Singapore, raised its stake in Stanley Leisure PLC from 2.8% to 9.1% by acquiring a 6.3% stake in Stanley Leisure PLC from Lord Steinberg for £36 million.*
- *In September 2005, Permira Advisers Ltd, a UK based private equity group, acquired a 33.0% stake in Gala Coral Group Limited for £200 million from Candover Investments PLC and Cinven Ltd.*
- *In January 2006, Stanley Leisure PLC, the listed UK based casino operator, completed its acquisition of MLG Investments Ltd and Triangle Casino (Bristol Limited), both UK based casino operators, from R J Bown (Holdings) Limited for £30 million.*
- *In March 2006, Twinwood Ltd, a UK based casino operator, completed its acquisition of UK based owner of casinos, Les Ambassadeurs Club Limited, for £115 million from London Clubs International PLC.*
- *In October 2006, Genting International Investment (UK) Ltd acquired the remaining 80.2% of Stanley Leisure PLC for £519 million. The purchase was completed via a public offer.*
- *In November 2006, Dagger Holdings Ltd, a subsidiary of Harrah's Entertainment Inc acquired 100.0% of London Clubs International PLC for £279 million via a tender offer.*

We observe that the EV/EBITDA multiple for the Divestment of 14.1 times is above both the mean and the median EV/EBITDA multiples of the Comparable Transactions.

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Given that the Comparable Transactions were completed between 2003 and 2006, the comparability of the Comparable Transaction EV/EBITDA multiples will be impacted by, *inter alia*, the surrounding circumstances at the time. In light of this, we have tracked the average EV/EBITDA multiple movements of listed gaming businesses in the UK from 1 January 2003 to the Latest Practicable Date.



Note: The listed gaming companies in the UK that were utilised in the preparation of the average EV/EBITDA multiple chart include William Hill PLC, Ladbrokes PLC and The Rank Group PLC

Source: Capital IQ

We observe that the majority of the Comparable Transactions occurred at a relatively buoyant time for gaming businesses in the UK, with the average EV/EBITDA multiples of the listed gaming companies in the UK at higher levels than those prevailing as at the Divestment announcement date of 1 July 2010 ("**Announcement Date**") and the Latest Practicable Date.

Further to the above, we note that the Comparable Transactions were completed during a period in which there was optimism surrounding the deregulation of the UK betting and gaming industry. The deregulation of the UK betting and gaming industry was expected to deliver extensive liberties to UK betting and gaming companies, and was cited by numerous transacting parties as a reason for completing the Comparable Transactions.

The optimism surrounding the deregulation of the UK betting and gaming industry has since dissipated with aspects of the relevant legislation, as well as its subsequent implementation, failing to match the expectations of industry analysts.

In addition to the above, the UK betting and gaming industry has suffered adverse effects from the reduced levels of economic activity in the UK, with real gross domestic product falling from £1,289.8 billion in 2006 to £1,264.6 billion in 2009, the impact of increases in casino duties, and the introduction of smoking bans in certain areas.

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Review of Comparable Companies

Company	Country	Market capitalisation (in £ million)	EV/EBITDA multiple
Las Vegas Sands Corp.	United States	10,541.4	28.7x
Sands China Ltd.	Hong Kong	7,956.0	18.6x
Wynn Resorts Ltd.	United States	6,628.4	15.7x
Genting Singapore PLC	Singapore	6,916.1	219.4x
Wynn Macau Ltd.	Macau	5,802.1	22.7x
Crown Limited	Australia	3,451.5	9.6x
MGM Resorts International	United States	2,804.4	15.7x
Genting Malaysia Berhad	Malaysia	3,316.2	4.6x
SJM Holdings Limited	Hong Kong	2,824.7	15.1x
Tabcorp Holdings Ltd.	Australia	2,371.6	5.5x
Galaxy Entertainment Group Limited	Hong Kong	1,496.8	22.8x
Melco Crown Entertainment Ltd.	Hong Kong	1,363.5	126.6x
The Rank Group PLC	United Kingdom	404.7	7.3x
Olympic Entertainment Group	Estonia	149.7	15.5x
Groupe Partouche SA	France	72.3	7.8x
		Min	4.6x
		Mean	13.5x
		Median	15.1x
		Max	28.7x
The Divestment			14.1x

Note: The summarial multiples displayed above exclude Sands China Ltd, Genting Singapore PLC, Wynn Macau Ltd and Melco Crown Entertainment Ltd on the basis that they are either outliers and/or are already recognised by virtue of being subsidiaries

Source: Capital IQ

- *Las Vegas Sands Corp owns multi usage integrated resorts in Las Vegas, and in Macau. Las Vegas Sands Corp is also developing integrated resorts in Singapore and Pennsylvania.*
- *Sands China Ltd engages in the development and operation of integrated resorts in Macau. Its resorts contain gaming areas, convention and exhibition halls, retail and dining areas, and entertainment venues. In addition, it provides human resource administration, travel and tourism, mall management, and ferry transportation and leasing services, as well as procurement, marketing, and administrative services and is involved in the retail distribution of merchandise. Sands China Ltd is a subsidiary of Las Vegas Sands, LLC.*
- *Wynn Resorts Ltd engages in the development, ownership, and operation of destination casino resorts. The company owns and operates casino resorts in Las Vegas, and in Macau.*

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- *Genting Singapore PLC develops, operates, and markets casinos and integrated resorts. It also engages in the provision of sales and marketing services, and information technology related services to the leisure and hospitality related businesses. It is also involved in online gaming operations and tour promotion activities. In addition, Genting Singapore PLC engages in the research and development of software, management of loyalty programme services, development, production, and distribution of television programmes, and development and operation of cooling plants, as well as provides management services, IT/Data centre and consultancy services.*
- *Wynn Macau Ltd, a holding company, develops, owns, and operates destination casino gaming and entertainment resort facilities in Macau.*
- *Crown Limited operates two gaming and entertainment complexes in Australia, being Crown Melbourne located in Victoria and Burswood. Both complexes comprise a casino, hotels, food, beverage and shopping facilities, as well as other entertainment.*
- *MGM Resorts International owns and operates casino resorts in the United States which offer gaming, hotel, dining, entertainment, retail, and other resort amenities. It also owns and operates golf courses and a golf club.*
- *Genting Malaysia Berhad engages in tourist resort business in Malaysia. It offers various leisure and hospitality services, which comprise gaming, hotel, entertainment, and amusement. Genting Malaysia Berhad's activities also include land and property development; time share ownership, renting of its apartment and part of its leasehold land, sale and letting of completed apartment units, and land and property, ownership and operation of aircrafts, the condotel, hotel, karaoke, leisure and entertainment, and show agent businesses, and golf resort and property development.*
- *SJM Holdings Limited engages in casino gaming operations and gaming related activities in Macau. SJM Holdings Limited also operates hotels, as well as offers catering and related services. In addition, it provides aircraft leasing services.*
- *Tabcorp Holdings Ltd engages in the provision of leisure and entertainment services in Australia. It operates in three segments: casinos, wagering, and gaming. The casinos segment operates four hotel and casino properties. The wagering segment conducts wagering activities through a network of agencies, hotels, and clubs; provides on course totalizators at thoroughbred, harness, and greyhound metropolitan and country race meetings; and offers totalizator and fixed odds betting on sporting events. The gaming segment owns and operates electronic gaming machines in licensed hotels and clubs and operates Club Keno games through a joint venture arrangement, as well as operates Keno in New South Wales and Queensland.*
- *Galaxy Entertainment Group Limited engages in the operation of gaming, leisure, and entertainment facilities in Macau. It also manufactures, sells, and distributes construction materials in Hong Kong, Macau, and Mainland China. Galaxy Entertainment Group Limited is also involved in property investment, quarrying, equipment leasing, and hospitality activities and provision of management services.*
- *Melco Crown Entertainment Ltd engages in the development, ownership, and operation of casino gaming and entertainment resort facilities primarily in Macau.*
- *The Rank Group PLC operates casinos under the 'Grosvenor' and 'G Casinos' brand names in the United Kingdom and Belgium, as well as bingo clubs under the 'Mecca Bingo' name in the United Kingdom and under the 'Top Rank Espana' name in Spain. The Rank Group PLC also operates remote gaming and betting business in the Channel Islands under the Rank Interactive brand name.*

APPENDIX V

- *Olympic Entertainment Group, operating under the brand name Olympic Casino, provides casino entertainment services. Olympic Entertainment Group operates slot and table casinos and casino bars at its casinos. Olympic Entertainment Group also offers hotel, catering, bar and foreign exchange services, as well as internet solutions.*
- *Groupe Partouche SA operates casinos, hotels, restaurants, dancehalls and bars. Groupe Partouche SA offer table games, slot machines, and other games.*

We observe that the EV/EBITDA multiple for the Divestment of 14.1 times is above the mean EV/EBITDA multiple and below the median EV/EBITDA multiple of the Comparable Companies identified.

3. Discounted cash flow assessment of the Divestment

Genting Singapore has provided a discounted cash flow model for the Target Companies which was prepared by Genting Singapore as at 31 May 2010 (the “**Genting Singapore Model**”).

We have undertaken an assessment of the Genting Singapore Model, including: (a) basic procedures to check the mathematical accuracy of the Genting Singapore Model, but neither a review nor an audit of the projections; and (b) basic checks as to the assumptions underlying the Genting Singapore Model, including checks on the future cash flows, discount rate and terminal value. Nothing has come to our attention that would indicate the assumptions underlying the Genting Singapore Model are unreasonable.

By discounting the Target Companies’ estimated future cash flows to their present value, and applying varying assumptions, the Genting Singapore Model generates a range of values for the Target Companies of between £307.8 million and £378.0 million, with an indicative value of £339.7 million (the “**Genting Singapore Valuation**”).

We note that the Transaction Price of £340 million is within the range of values determined by the Genting Singapore Valuation and is close to the indicative valuation of £339.7 for the Target Companies.

4. Pro forma financial effects of the Divestment

The financial effects of the Divestment are set in section 11 of the Circular, and are reproduced below for illustrative purposes.

NTA

Assuming that the Divestment has been completed on 31 December 2009, being the end of the most recently completed financial year of the Genting Singapore Group, and based on the audited consolidated financial statements of the Genting Singapore Group for FY2009, the effect on NTA per Share as at 31 December 2009 would be as follows:

	<u>Before Divestment</u>	<u>After Divestment</u>
NTA (S\$'000)	3,011,234	2,712,649
NTA per Share (cents)	25.76	23.20

We note that the decrease in NTA per Share is the result of the loss on the Divestment of approximately S\$298.6 million.

APPENDIX V

Earnings

Assuming that the Divestment has been completed on 1 January 2009, being the beginning of the most recently completed financial year of the Genting Singapore Group, and based on the audited consolidated financial statements of the Genting Singapore Group for FY2009, the effect on the earnings per Share for FY2009 would be as follows:

	Before Divestment	After Divestment
Loss after tax and minority interests (S\$'000)	(277,565)	(884,616)
Weighted average number of Shares ('000)	10,491,641	10,491,641
Basic loss per Share (cents)	(2.65)	(8.43)
Diluted loss per Share (cents)	(2.65)	(8.43)

We note that the reduction in earnings per Share from the Divestment is the net result of the following assumptions: (a) net profit of Target Companies to be disposed of approximately S\$15.1 million; (b) loss on divestment of approximately S\$235.8 million; and (c) exchange translation losses to be transferred from equity to the income statement of approximately S\$356.2 million.

5. No alternative proposals

The Directors have confirmed that no alternative offers for the Target Companies have emerged as at the Latest Practicable Date.

OUR OPINION

In arriving at our opinion on whether the Divestment is on normal commercial terms and whether it is prejudicial to the interests of the Company and its minority Shareholders, we considered the factors set out in the previous sections of this letter. Our conclusions in respect of the factors considered are set out below:

- We have reviewed the rationale for the Divestment and are of the view that the Divestment is being made on a reasonable basis.
- The EV/EBITDA multiple for the Divestment of 14.1 times is above both the mean and the median EV/EBITDA multiples of the Comparable Transactions. Further, we note that the majority of Comparable Transactions occurred at a relatively buoyant time for gaming businesses in the UK, with the average EV/EBITDA multiples of the listed gaming companies in the UK at higher levels than those prevailing as at the Announcement Date and the Latest Practicable Date.
- The EV/EBITDA multiple for the Divestment of 14.1 times is above the mean EV/EBITDA multiple and below the median EV/EBITDA multiple of the Comparable Companies identified.
- We undertook an assessment of the Genting Singapore Model which generates a range of values for the Target Companies of between £307.8 million and £378.0 million, with an indicative value of £339.7 million. Nothing has come to our attention that would indicate the assumptions underlying the Genting Singapore Model are unreasonable. We note that the Transaction Price of £340 million is within the range of values determined by the Genting Singapore Valuation and is close to the indicative valuation of £339.7 for the Target Companies.

Based on our analysis, and after having carefully considered the information available to us as at the Latest Practicable Date, we are of the opinion that the Divestment is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

APPENDIX V

This opinion is addressed solely to the Independent Directors for their use and benefit, in connection with and for the purpose of their consideration of the proposed Divestment and for inclusion in the Circular.

In rendering the above opinion, we have not taken into consideration the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. Accordingly, any individual Shareholder who may require specific advice in relation to their investment portfolio, including their investment in Genting Singapore, should consult their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

Yours faithfully
For and on behalf of
KPMG Corporate Finance Pte Ltd

Vishal Sharma
Executive Director

Aldric How
Associate Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



GENTING
SINGAPORE

GENTING SINGAPORE PLC

(Incorporated in the Isle of Man with Limited Liability No. 003846V)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (the “**EGM**”) of Genting Singapore PLC (the “**Company**”) will be held at West Ballroom, Resorts World Convention Centre, Basement 2, Resorts World Sentosa, 8 Sentosa Gateway, Singapore 098269 on 18 August 2010 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as an ordinary resolution:

AS AN ORDINARY RESOLUTION:

APPROVAL OF THE PROPOSED DIVESTMENT

“That:

- (a) approval be and is hereby given for the sale of the entire issued share capital of each of (i) Genting International Enterprises (Singapore) Pte. Ltd., (ii) Nedby Limited, (iii) Palomino Star Limited and (iv) Palomino World Limited to Genting Worldwide (UK) Limited (the “**Purchaser**”) on and subject to the terms and conditions of a conditional sale and purchase agreement dated 1 July 2010 entered into between the Company and the Purchaser (the “**Agreement**”), resulting in the divestment by the Company of its casino operations in the United Kingdom to the Purchaser (the “**Proposed Divestment**”), details of which have been set out in the circular to shareholders dated 30 July 2010; and
- (b) the directors of the Company and each of them be hereby authorised to complete and do all such acts and things (including modifying the Agreement and executing all such documents as may be required under or pursuant to the Agreement) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Resolution as they or he may deem fit.”

BY ORDER OF THE BOARD

DECLAN THOMAS KENNY
Company Secretary
30 July 2010

Registered office: International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or the hand of an officer or attorney duly authorised.
3. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. If no name is inserted in the space for the name of the member's proxy on the form of proxy, the Chairman of the EGM will act as the member's proxy.
5. The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the Registered Office, International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles, not less than 48 hours before the time appointed for holding the EGM and at any adjournment thereof.
6. For depositors holding their shares in the Company through The Central Depository (Pte) Limited in Singapore, the Directors have determined that it is more practicable for the depositor proxy form to be delivered to, collected, collated, reviewed and checked at the Share Transfer Agent's Office in Singapore, M & C Services Private Limited, 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906, and as such will be counted as valid in regards to the EGM pursuant to Article 14.13(a) of the Company's Articles of Association. The depositor proxy form, duly completed, must be deposited by the depositor(s) at the abovementioned office of the Share Transfer Agent in Singapore not less than 48 hours before the commencement of the EGM.