



Form Version 2.0

General Announcement

Submitted by **GENTING** on 11/09/2006 07:02:27 AM

Reference No **GG-060911-E2856**

(Submitted)

ANNOUNCEMENT BY GENTING INTERNATIONAL P.L.C., AN INDIRECT SUBSIDIARY OF GENTING BERHAD WHOSE SHARES ARE LISTED ON THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED AND THE EURO MTF MARKET OF THE LUXEMBOURG STOCK EXCHANGE

Attached is an announcement by Genting International PLC, made today.



RecommendedOffer.pdf



UKOfferAnnouncement.pdf

Yours faithfully

GENTING BERHAD

Tan Wooi Meng

Group Company Secretary



GENTING INTERNATIONAL PUBLIC LIMITED COMPANY
(Incorporated in the Isle of Man with limited liability No. 24706C)

**RECOMMENDED CASH OFFER FOR THE ENTIRE ISSUED SHARE CAPITAL OF
STANLEY LEISURE PLC BY GENTING INTERNATIONAL INVESTMENT (UK) LIMITED**

1. Acquisition of Stanley Shares

The Board of Directors (the “**Board**”) of Genting International plc (“**Genting International**”) is pleased to announce that Genting International has reached an agreement with the board of directors of Stanley Leisure plc (“**Stanley**”) on the terms of a recommended cash offer, to be made by Genting International Investment (UK) Limited (“**GII UK**”), a wholly-owned subsidiary of Genting International, for the entire issued and to be issued ordinary share capital of Stanley (the “**Offer**”).

GII UK is a company incorporated on 16 May 2006 in the United Kingdom with an authorized capital of £300,000,000 comprising 300,000,000 ordinary shares of £1.00 each of which 2 ordinary shares have been issued and are fully paid up. It became a subsidiary of Genting International on 7 September 2006. GII UK has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Offer and the financing of the Offer.

In connection with the Offer, GII UK has acquired 3,736,077 issued ordinary shares of 25 pence each fully paid in the capital of Stanley (“**Stanley Shares**”), representing approximately 5.3 per cent. of the issued ordinary share capital of Stanley, from Lord Steinberg, Chairman of Stanley, at a price of 860 pence for each share (such acquisition of Stanley Shares being referred to in this announcement as the “**Acquisition**”).

In addition, Lord Steinberg has given GII UK an irrevocable undertaking to accept the Offer, and has also granted a call option exercisable in certain defined circumstances, in respect of a further 3,736,077 Stanley Shares (representing approximately a further 5.3 per cent in the issued ordinary share capital of Stanley).

2. Recommended Cash Offer

As at 9 September 2006, Genting International was already the holder of approximately 19.8% of Stanley’s issued share capital. Taking into account Genting International’s existing shareholding in Stanley, the Acquisition and the irrevocable undertakings from the Stanley Directors (including Lord Steinberg) and the call option, Genting International has an interest in or a commitment over a total of 21,498,762 shares in Stanley, representing approximately 30.5 per cent. of the issued ordinary share capital of Stanley.

GII UK is therefore required to make the Offer in accordance with the provisions of Rule 9 of the UK Takeover Code (the “**Code**”). The Offer will be conditional only upon GII UK receiving acceptances, which will result in GII UK holding more than 50 per cent. of the shares in Stanley.

3. Terms of the Offer

a. Consideration

The Offer of 860 pence in cash for each Stanley Share values the entire fully diluted share capital of Stanley at approximately £639 million and represents:

- (i) a premium of approximately 42.0 per cent. to the closing mid-market price of 605.5 pence per Stanley Share on 4 August 2006, being the Business Day one calendar month prior to the announcement of an approach to Stanley; and
- (ii) a premium of approximately 26.4 per cent. to the closing mid-market price of 680.5 pence per Stanley Share on 1 September 2006, being the last Business Day prior to the announcement of an approach to Stanley.

The consideration was arrived at based on, *inter alia*, the market price for Stanley Shares, Stanley's strong fundamental business, its sound financial profile and healthy balance sheet, other comparable transactions in the gaming industry, and the fact that Stanley is the largest casino operator in the UK with 45 casinos.

b. Terms of Offer

The Stanley Shares that are subject to the Offer will be acquired by GII UK fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of the announcement of the Offer except for the final dividend of 8.3 pence expected to be paid by Stanley on 20 September 2006 to Stanley shareholders who were on the register of members of Stanley on 18 August 2006.

c. Lapse of Offer

The Offer will lapse if it is referred to the UK Competition Commission before the later of 1.00 p.m. (London time) on the first closing date of the Offer and the date on which the Offer becomes or is declared unconditional as to acceptances. If the Offer so lapses, the Offer will cease to be capable of further acceptance and persons accepting the Offer and GII UK will cease to be bound by forms of acceptance submitted on or before the time when the Offer lapses.

d. Loan Note Alternative

As an alternative to any or all of the cash consideration, Stanley shareholders (other than certain Stanley shareholders located in jurisdictions outside of the United Kingdom) will be entitled to elect to receive loan notes ("**Loan Notes**") of £1.00 in nominal value for every £1.00 of cash consideration that they are entitled to receive pursuant to the Offer (the "**Loan Note Alternative**").

The Loan Notes will be unsecured and issued in multiples of £1 nominal value, and will bear interest (from the date of issue to the relevant holder of Loan Notes) payable semi annually in arrears, at a rate of 0.5 per cent. per annum below LIBOR (for six month sterling deposits), payable on 30 June and 31 December in each year, commencing on and from 30 June 2007 up to and including 31 December 2011 (or, if not a Business Day in any year, on the first Business Day thereafter).

The Loan Note Alternative is conditional on the Offer becoming or being declared unconditional in all respects.

e. Further Details of Offer

Further details of the terms of the Offer are set out in the press release and announcement made by GII UK in respect of the Offer, as attached together with this announcement.

4. About Stanley

Stanley is a gaming company based in the UK. Its principal interests are in the casino market, operating 45 casinos across the UK – 41 in the provinces and four in London - including the prestigious and world-renowned Crockfords. Stanley also has international betting interests in Italy, Belgium, Germany, Croatia and Romania through joint ventures.

Since entering the British casino market in 1976, Stanley has pursued a policy of acquiring casinos from both private operators and public companies. Stanley has enhanced these casinos through the introduction of improved management and various refurbishment and extension initiatives. In a number of cases, casinos have been relocated to larger, purpose-built premises, for example Leith in Edinburgh and the Circus Casino in central Manchester. In November 2003, Stanley opened the UK's largest casino at Star City in Birmingham.

Since the sale of its UK retail bookmaking operations in June 2005, Stanley has concentrated on consolidating its position as the leading UK casino operator maximising the potential benefits from deregulation.

In the year to 30 April 2006 Stanley Group turnover (from continuing operations) was £224.8 million and profit before tax and exceptional items (from continuing operations) was £31.9 million. As at 30 April 2006, Stanley Group had a total net asset value of £237.9 million.

5. Rationale for the Offer

Genting International is a leading integrated resorts specialist with over 20 years of international gaming expertise and global experience in developing, operating and/or marketing internationally acclaimed casinos and integrated resorts in different parts of the world, including Australia, the Americas, Malaysia, the Philippines and the United Kingdom.

Genting International regards the UK gaming market, with its comprehensive and sound regulatory environment and international reputation, as an attractive investment location. Genting International has made a number of strategic investments in the UK gaming sector to take advantage of the potential opportunities offered by the deregulation of the industry under the Gaming Act of 2005 of the United Kingdom.

In addition to its existing interest in Stanley, Genting International owns 29.8 per cent. of London Clubs International plc and is the owner and operator of Maxims Casino Club in London. It also has a joint venture with Stanley to bid for the regional casino under the new UK regime.

Genting International has developed an excellent relationship with Stanley and its senior management over the last two years. With the confidence it has developed, Genting International has concluded that this is the right time to expand its UK interests.

6. Financing of the Offer

Genting International will fund the aggregate consideration payable under the Offer from available cash resources and new credit facilities.

7. Financial Effects of the Offer

Assuming that the Offer is fully taken up, the financial effects of the Offer will be as follows¹:-

7.1 Share Capital

There is no effect of the Offer on the share capital of Genting International.

7.2 Net Tangible Assets (“NTA”)

The NTA per share of Genting International will drop from S\$0.24 to -\$0.11 if the Offer is fully taken up. The net asset value remains the same but intangible assets will increase from S\$7.77 million to S\$1.87 billion due to both goodwill arising and consolidation of Stanley Group’s intangible assets.

7.3 Earnings per Share (“EPS”)²

The EPS remains unchanged at 2.0 Singapore cents.

7.4 Gearing

Prior to the Offer, Genting International has no borrowing. Its gearing ratio will increase to about 44% with the financing of the Offer. Cash balances will reduce from S\$660 million to about S\$145 million.

8. Relative Figures Computed Pursuant to Rule 1006 of the Listing Manual

8.1 Rule 1006(a)

Not applicable to the Offer.

8.2 Rule 1006(b)

The net profit attributable to the Stanley Shares that are subject of the Offer compared with the Group’s net profits for the last 12 months (based on latest published results for the period ended 30 June 2006) is 419.1%.

8.3 Rule 1006(c)

The aggregate value of the consideration given, compared with Genting International’s market capitalization, is 72.6%.

¹ The EPS and NTA numbers are based on the number of shares in issue of Genting International as at 31 December 2005.

² This statement should not be interpreted to mean that future earnings per share of Genting International following the completion of the Offer will necessarily be the same as historical earnings per share.

8.4 Rule 1006(d)

Not applicable to the Offer.

As the comparative figures under Listing Rule 1006(b) and (c) exceed 20%, the Offer would constitute a “major transaction” pursuant to Listing Rule 1013.

9. Application for Waiver of Requirement to Seek Shareholders’ Approval

Notwithstanding that the Offer is a “major transaction” and should be made subject to shareholders’ approval in accordance with Listing Rule 1014, Genting International had applied for a waiver from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) from compliance with Listing Rule 1014 (the “**Waiver**”) for the following reasons:

- (a) It was strategically important in the context of the Offer that GII UK enter into certain arrangements with Lord Steinberg, the Chairman of Stanley Group, and other directors of Stanley. These arrangements, namely the Acquisition, the irrevocable undertakings by the Stanley directors (including Lord Steinberg) and the call option granted by Lord Steinberg, would have caused GII UK to hold an aggregate interest in or have commitments over more than 30 per cent. in the share capital of Stanley and thus trigger an obligation on the part of GII UK to make a mandatory conditional offer for all the Stanley Shares. Under the Code, the Offer may only be conditional upon GII UK receiving acceptances, which will result in GII UK (and its concert parties) holding more than 50 per cent. of the shares in Stanley. GII UK would not be able to make an offer in compliance with the Code if Genting International were required to seek the approval of its shareholders;
- (b) The nature of Genting International’s business (i.e. that of investment holding) is such that its results will fluctuate from time to time with the value of its investments, therefore the outcome of the comparative tests under Listing Rule 1006 do not give an accurate reflection of the relative size of any proposed transaction;
- (c) Genting Overseas Holdings Limited (a wholly-owned subsidiary of Genting Berhad), the controlling shareholder of Genting International, has in-principle approved the making of the Offer and is prepared to provide an undertaking to vote in favour of the making of the Offer if the shareholder approval had to be sought at an extraordinary general meeting of Genting International; and
- (d) The Offer, if successful, would result in Genting International expanding its existing core business in the United Kingdom, while leaving the risk profile of Genting International largely similar.

10. Waiver of Requirement to Seek Shareholders’ Approval

The SGX-ST had on 8 September 2006 granted the Waiver pursuant to Listing Rule 107, subject to announcement by Genting International, as soon as the sale and purchase agreement has been signed, of the following:

- (a) Details of the Acquisition, including information required under Rule 1010 of the Listing Manual; and
- (b) That waiver of compliance with Rule 1014 of the Listing Manual has been granted by the Exchange (pursuant to Rule 107 of the Listing Manual).

11. Interest of the Directors and Controlling Shareholders

None of the Directors or the Controlling Shareholders of Genting International has any interest, whether direct or indirect, in the Offer.

12. Announcement not an Offer to Buy or Sell Securities

Nothing in this announcement shall be construed as, and this announcement is not intended to and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities pursuant to the Offer or otherwise.

By order of the Board

Justin Tan Wah Joo
Managing Director

11 September 2006