



**GENTING INTERNATIONAL PUBLIC LIMITED COMPANY**  
(Incorporated in the Isle of Man with limited liability number. 24706C)

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**ISSUE OF ZERO COUPON CONVERTIBLE BONDS DUE 2012**

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**1. INTRODUCTION**

The Board of Directors wishes to announce that Genting International Public Limited Company (the "**Company**") and DBS Bank Ltd. ("**DBS Bank**"), The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") and Merrill Lynch (Singapore) Pte. Ltd. ("**Merrill Lynch**") (collectively the "**Joint Lead Managers**"), and CIMB-GK Securities Pte. Ltd. ("**CIMB**") (and together with the Joint Lead Managers as the "**Managers**") have on 11 December 2006 entered into a subscription agreement (the "**Subscription Agreement**") relating to the offering (the "**Offer**") of the Convertible Bonds (as defined below). Under the terms of the Subscription Agreement, the Company has agreed to issue, and the Joint Lead Managers have agreed to subscribe and pay for, or procure subscription and payment for S\$425 million in aggregate principal amount of zero coupon direct, unconditional, unsubordinated and unsecured convertible bonds due 2012 (the "**Convertible Bonds**"). The Convertible Bonds are convertible into fully paid-up new ordinary shares of US\$0.10 in the capital of the Company ("**New Shares**"). DBS Bank, HSBC and Merrill Lynch are the joint bookrunners and lead managers of the Offer and CIMB is the co-manager of the Offer.

The Convertible Bonds have been fully placed to institutional investors and/or accredited investors and the Offering will be made pursuant to exemptions invoked under Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore.

**2. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

The principal terms and conditions of the Convertible Bonds (the "**Conditions**") are summarised as follows:

Issue Size :	S\$425 million principal amount of Convertible Bonds.
Issue Price :	100 per cent. of the principal amount of the Convertible Bonds.
Yield to Maturity :	3.0 per cent. per annum calculated on a semi-annual basis.
Conversion Price :	The price at which New Shares will be issued upon conversion, as adjusted from time to time (the " <b>Conversion Price</b> ") will initially be S\$0.6308. This initial Conversion Price will be subject to adjustment in the manner provided in the Conditions. The conversion ratio (the " <b>Conversion Ratio</b> ") is equal to the principal amount of each Convertible Bond divided by the then Conversion Price.
Conversion Premium :	22.5 per cent. over the closing price of the ordinary shares of the Company (the " <b>Shares</b> ") on the Singapore Exchange Securities Trading

Limited (the "SGX-ST") on 11 December 2006. The closing price was S\$0.515 per Share.

Conversion Period :

Convertible at the option of the holder, at any time on and after 7 February 2007 up to the close of business (at the place where the Certificate evidencing such Convertible Bond is deposited for conversion) on 31 December 2011 (but, except as provided in the Conditions, in no event thereafter) or, if such Convertible Bonds shall have been called for redemption before 31 December 2011, then up to the close of business (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof.

Status of the Convertible Bonds:

The Convertible Bonds constitute direct, senior, unsubordinated, unconditional and (subject to the negative pledge mentioned above) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge mentioned above, at all times rank at least equally with all of its other present and future direct, senior, unsubordinated, unconditional and unsecured obligations.

Status of the New Shares :

The New Shares issued upon conversion of the Convertible Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date (as defined in the Conditions). Save as set out in the Conditions, a holder of the New Shares issued on conversion of Convertible Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date (as defined in the Conditions).

Cash Settlement Option :

The Company has the option to pay cash in lieu of issuing new Shares on conversion of the Convertible Bonds. The cash settlement amount means the product of (i) the number of Shares otherwise deliverable upon exercise of the Conversion Right (as defined in the Conditions) in respect of the Bond(s) to which the Conversion Notice (as defined in the Conditions) applies, and in respect of which the Issuer has elected the Cash Settlement Option and (ii) the arithmetic average of the closing price (as defined in the Conditions) of Shares on the SGX-ST for each day during the ten Trading Days (as defined in the Conditions) immediately after the Cash Settlement Notice Date (as defined in the Conditions).

Final Redemption :

Unless previously redeemed, converted or purchased and cancelled, the Convertible Bonds

will be redeemed at 116.0541 per cent. of their principal amount on the final redemption date.

Final Redemption Date :	12 January 2012
Redemption at the Option of the Bondholders:	Holder of the Convertible Bonds may require the Company to redeem: <ul style="list-style-type: none"><li>(i) in whole but not in part their Convertible Bonds in the event of a Change in Control (as defined in the Conditions); and</li><li>(ii) all (but not less than all) of their Convertible Bonds in the event of a delisting of the Shares.</li></ul>
Redemption at the Option of the Company:	All or a portion of the Convertible Bonds may be redeemed by the Company on or at any time after 12 January 2009 but not less than seven business days prior to the final redemption date, if the closing price of the Shares (as quoted on the SGX-ST) over the prescribed period is at least 120 per cent. of the conversion price.
Redemption for Taxation Reasons:	The Company may redeem all (and not some only) of the Convertible Bonds, if it is obliged to gross up for any deduction or withholding for taxes as a result of any changes in the laws or regulations of Isle of Man or Singapore which takes effect on or after 11 December 2006.
Anti-dilution Protection:	The Conversion Price will be adjusted in certain circumstances, including, <i>inter alia</i> , the consolidation, subdivision or reclassification of Shares, capitalization of profits or reserve, capital distribution, rights issues of Shares or options over Shares, issues at less than current market price, modification of rights of conversion and other offers to the Company's shareholders.
Conversion Price Reset:	If the arithmetic average of the closing price of the Shares (the " <b>Reset Reference Price</b> ") for each day during the period of 20 consecutive Trading Days immediately prior to 60 days before the third anniversary of the Issue Date, being 12 January 2010 (the " <b>Reset Date</b> "), is less than the Conversion Price in effect on the Reset Date (taking into account any adjustments as described in the Conditions which may have occurred prior to the Reset Date), the Conversion Price shall be adjusted, on the Reset Date so that the Reset Reference Price (subject to the Conditions) will become the adjusted Conversion Price with effect from the Reset Date.
Negative Pledge:	So long as any Convertible Bond remains outstanding (as defined in the trust deed), the Company will not create or permit to subsist, and the Company will procure that no Principal Subsidiary (as defined in the Conditions) of the Company will create or permit to subsist, any

mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Security**”) upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Investment Securities (as defined in the Conditions) or to secure any guarantee of, or indemnity in respect of, any Investment Securities (as defined in the Conditions) unless, at the same time or prior thereto, the Company’s obligations under the Convertible Bonds and the trust deed (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the trust deed) of the Bondholders.

Listing : Application will be made to list the Convertible Bonds on the SGX-ST.

Governing Law : Singapore law.

### **3. NEW SHARES**

The number of New Shares to be allotted and issued by the Company, pursuant to the full conversion of the Convertible Bonds, is approximately 673.7 million (based on the Conversion Price of S\$0.6308 and assuming no adjustments to the Conversion Price), which represents approximately 12.4 per cent. of the issued and paid-up capital of the Company as at 27 April 2006. The proposed issue of the New Shares is made pursuant to the general mandate for issue of shares and securities given to the Directors of the Company at the annual general meeting of the Company held on 27 April 2006.

### **4. USE OF PROCEEDS**

The estimated net proceeds from the issue of the Convertible Bonds are approximately S\$416.5 million. The Company intends to use the net proceeds of the Offering for the purpose of developing the integrated resort on Sentosa Island, Singapore.

## 5. FINANCIAL EFFECTS

For purposes of illustration only, the proforma financial effects of the Offering, based on the unaudited financial statements of the Company and its subsidiaries (collectively, the "Group") as at 30 September 2006, on the share capital, net asset value and gearing of the Group (excluding the effects of any valuation of embedded derivatives in accordance with IAS 39 – Financial Instruments: Recognition and Measurement and the effects of the funding for and consolidation of Stanley Leisure plc, which became a subsidiary in October 2006), are as follows:

### (a) Share Capital

	<b>Number of Shares '000</b>
Issued and fully paid-up share capital as at 30 September 2006	<u>5,441,255</u>
Issued and fully paid-up share capital as at 30 September 2006, after the issue of the Convertible Bonds, but before any conversion of the Convertible Bonds	<u>5,441,255</u>
Issued and fully paid-up share capital as at 30 September 2006, assuming full conversion of the Convertible Bonds	<u>6,114,923</u>

### (b) Net Asset Value ("NAV")

	<b>S\$'000</b>
NAV based on unaudited accounts as at 30 September 2006	<u>1,308,492</u>
Adjusted NAV as at 30 September 2006 after the issue of the Convertible Bonds but before any conversion of the Convertible Bonds	<u>1,356,565</u>

	<b>S\$</b>
NAV per Share	
Before the issue of the Convertible Bonds	<u>0.24</u>
After the issue of the Convertible Bonds but before any conversion of the Convertible Bonds	<u>0.25</u>

Assuming full conversion of the Convertible Bonds, the effects on NAV and NAV per Share would be as follows:

Adjusted NAV as at 30 September 2006 (S\$'000)	<u>1,724,992</u>
Adjusted NAV per Share (S\$)	<u>0.28</u>

(c) Gearing<sup>1</sup>

	<b>Principal amount S\$'000</b>
Total borrowings as at 30 September 2006	-
Increase in total borrowings upon the issuance of the Convertible Bonds	<u>376,927</u>
Adjusted total borrowings as at 30 September 2006, after the issuance of the Convertible Bonds but before the deployment of the net proceeds from the issuance of the Convertible Bonds	<u>376,927</u>
Total equity as at 30 September 2006	<u>1,308,492</u>
Adjusted total equity as at 30 September 2006, after the issuance of the Convertible Bonds but before any conversion of the Convertible Bonds	<u>1,356,565</u>
<b>Gearing Ratio</b>	
As at 30 September 2006	<u>-</u>
After the issuance of the Convertible Bonds	<u>27.8%</u>
Assuming full conversion of the Convertible Bonds, the effect on the gearing ratio of the Group would be as follows:	
	<b>S\$'000</b>
Adjusted total borrowings as at 30 September 2006 assuming full conversion of the Convertible Bonds	<u>-</u>
Adjusted total equity as at 30 September 2006 assuming full conversion of the Convertible Bonds	<u>1,724,992</u>
<b>Gearing Ratio</b>	<u>-</u>

**Note:**

(1) For the purpose of the above Gearing calculations, "Gearing" means the ratio for "Total Borrowings" to "Total Equity; and "Total Borrowings" means the aggregate borrowings from banks and financial institutions, convertible bonds and other loans.

**6. CONDITIONS**

The issue of the Convertible Bonds is conditional upon, *inter alia*, SGX-ST granting approval for:

- (a) the listing and quotation of the Convertible Bonds on the Official List of the SGX-ST; and
- (b) the listing and quotation of the New Shares (when issued upon conversion) on the Official List of the SGX-ST.

The SGX-ST's approval in-principle, if given, shall not be construed as an indication of the merits of the proposed issue of the Convertible Bonds, the New Shares or the Company.

## **7. CLOSING DATE**

At 5.00p.m. (Singapore time) on 12 January 2007 (or such other time or date on or before 26 January 2007 as the Issuer and the Joint Lead Managers (on behalf of the Managers) shall agree) (the "**Closing Date**").

## **8. LOCK-UP AGREEMENT**

On or prior to the Closing Date, the Company shall give an undertaking to the Joint Lead Managers that, neither the Company nor any of its subsidiaries or other affiliates over which they exercise management or voting control, nor any person acting on its or their behalf will, for a period of 90 days after the Closing Date, without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) securities issued by the Company and having a maturity of more than one year from the date of issue, any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares.

On or prior to the Closing Date, Genting Overseas Holdings Limited, being a substantial shareholder of the Company, shall execute a lock-up agreement pursuant to which it will undertake to the Joint Lead Managers, inter alia, that, for a period from the date of the Subscription Agreement and up to 90 days after the Closing Date, it will not sell any Shares or enter into other transactions with similar effect without the prior written consent of the Joint Lead Managers (which consent shall not be unreasonably withheld).

## **9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and substantial shareholders of the Company, or any other persons listed in Rule 812(1) of the Listing Manual of the SGX-ST, have any interest, direct or indirect in the Offering.

## **10. OTHER INFORMATION**

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This announcement is not an offer of securities for sale in the United States. The securities referred to herein may not be offered or sold in the United States absent registration or an exemption from registration requirements under the U.S. Securities Act of 1933. Any public offering of the securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

**By order of the Board**  
**GENTING INTERNATIONAL PUBLIC LIMITED COMPANY**

**Declan Thomas Kenny**  
**Company Secretary**

**12 December 2006**

**DBS Bank Ltd was the Global Co-ordinator, and together with CIMB-GK Securities Pte Ltd, CLSA Singapore Pte Ltd and Merrill Lynch (Singapore) Pte Ltd were the Joint Lead Underwriters and Bookrunners for the Initial Public Offering of Genting International Public Limited Company.**