



January 27, 2011

**Queenco Leisure International Ltd.**  
**Memorandum of Understanding ('MOU') with Langham Hospitality Limited**

Queenco Leisure International Ltd. (the "Company" or "QLI"), a developer, owner and operator of casinos and resorts, today announced that yesterday, the Company signed an MOU with Langham Hospitality Limited, a Hong Kong based developer and operator Company, which operates many hotels worldwide, and is the owner of several hotels brand names such as Langham, Eaton Luxe and Eaton Smart ("**Langham**"). Under the MOU, QLI will engage **Langham** in providing management and other services for the renovation, construction and operation of an Eaton Luxe Hotel, (one of the brand names of Langham Hotels), with approximately 215 rooms in Holiday Palace hotel, in Sihanoukville, Cambodia ("**The Hotel**"). (For further information regarding the joint venture related to Holiday Palace Hotel please see the Company`s announcement dated September 20, 2010).

The MOU`s main terms are:

1. QLI shall lease, renovate, and re-design the existing 135 rooms in accordance with Eaton Luxe standards and quality. This first phase, which constitutes the re-design of the existing 135 rooms, is estimated to be completed within 12 months. Within 24 months of the first phase being completed, an additional 80 rooms shall be added to The Hotel.
2. The parties intend to enter into a Technical Advisory Services Agreement for the two phases.
3. The parties intend to enter into a Management Agreement (the "**Management Agreement**"), upon which Langham shall be appointed as the manager of the Hotel, and shall have full authority for matters relating to the management and operation of The Hotel. The initial term of the Management Agreement will be 20 years and shall be extended for periods of 10 years at a time. The MOU provides a Territorial

Exclusivity clause which states that during the initial 20 years period Langham shall not manage or operate another Eaton Luxe hotel in Sihanoukville.

4. The Management fee amounts under the Management Agreement shall provide for:
  - (i) An annual basic management fee, being a percentage of The Hotel`s annual gross revenue, and
  - (ii) an annual incentive fee which shall be a percentage of The Hotel gross operating profits, and,
  - (iii) a global marketing and advertising allocation fee.
5. The Casino within the Hotel will be operated and managed by QLI

Finalisation of the transaction is subject to the signing of definitive agreements, all of which shall be subject to approval by the Board of Directors of the Company, as well as any other approvals which may be required.

For further information please visit [www.queencoleisure.com](http://www.queencoleisure.com) or contact:

**Queenco Leisure International Ltd.**

Yigal Zilkha, Executive Chairman of the Board.  
Itay Koppel, CEO

T: +972 3 7566 555

**ING**

Daniel Friedman

T: +44 (0)20 7767 6896

**Cardew Group**

Tim Robertson  
David Roach  
Alexandra Stoneham

T: + 44 (0)20 7930 0777