



13 December 2011

Queenco Leisure International Ltd.

Signing of Joint Venture Agreement in Cambodia

Queenco Leisure International Ltd. (the “**Company**” or “**QLI**”), a developer, owner and operator of casinos and resorts, today announced that in continuance to its former announcement dated September 20, 2010 regarding the execution by the Company of an MOU with respect to the formation of a Joint Venture company, QLI has executed a final Shareholders and Joint Venture Agreement (“**SHA Agreement**”) for the carrying out of hotel, casino, as well as other associated businesses at the Holiday Palace Hotel in Sihanoukville, Cambodia (the “**Project**”).

The first stage of the Project, which is comprised of the opening of a casino with 130 gaming machines as well as a 60 room hotel which is adjacent to the existing hotel, shall commence within a month. At the second Stage of the Project, the Joint Venture will renovate, improve and extend the existing hotel and open another casino.

According to the SHA Agreement –

- (1) QLI shall hold indirectly, through subsidiaries, 70% of the Joint Venture, whereby the remaining 30% will be held by the Local Partner.
- (2) The Joint Venture has engaged in a long term Lease Agreement relating to Holiday Palace Hotel, for an initial term of 25 years commencing on April 1, 2011 (the “**First Term**”), whereby the Joint Venture has been granted with an option to extend such term by additional 25 years (the “**Second Term**”).

The monthly rental fee payable during the First Term shall be \$30,000. The first two years of the First Term shall be rent free, to allow for renovations. During the Second Stage, the monthly rental fee shall be \$60,000.

- (3) The Local Partner shall be in charge for the issuance of all governmental approvals, licenses and permits required under the laws of the State of Cambodia in order to carry out the business, including a casino license.
- (4) QLI has provided funding to the Joint Venture in the amount of \$720,000, out of which a sum of \$180,000 was paid by QLI upon execution of the MOU.

For further information please visit www.queenco.com or contact:

Queenco Leisure International Ltd.

Haim Assayag, Executive Chairman of the Board

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