

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Genting Hong Kong Limited**  
*(Continued into Bermuda with limited liability)*  
**(Stock Code: 678)**

**CONTINUING CONNECTED TRANSACTIONS**

**VESSEL SERVICES AGREEMENT IN RELATION TO  
THE OPERATION OF THE VESSEL  
AND  
NEW COLLABORATION AGREEMENT IN RELATION TO  
THE OPERATION AND MANAGEMENT OF THE ONBOARD GAMING AREA**

**THE VESSEL SERVICES AGREEMENT**

On 1 April 2020 (after trading hours), OPOL (a direct wholly-owned subsidiary of GENM) and GCSL (an indirect wholly-owned subsidiary of the Company) entered into the Vessel Services Agreement, pursuant to which OPOL agreed to appoint GCSL as, and GCSL agreed to accept its appointment as, the sole and exclusive provider of certain crewing, technical support and administrative support services to OPOL in relation to the operation of the Vessel.

**THE NEW COLLABORATION AGREEMENT**

On 1 April 2020 (after trading hours), WLL (a direct wholly-owned subsidiary of GENM) and BSEL (an indirect wholly-owned subsidiary of the Company) entered into the New Collaboration Agreement in relation to the operation and management of the Gaming Area.

The Company confirms that, based on the Cayman Islands legal advice obtained by the Company, the Gaming Activities do not violate any applicable laws in the Cayman Islands. The Company has also been advised that the Gaming Activities do not contravene the Gambling Ordinance. Shareholders and potential investors of the Company should note that, pursuant to Guidance Letter HKEX-GL71-14 issued by the Stock Exchange, the Stock Exchange may direct the Company to take remedial actions and/or may suspend dealings in, or may cancel the listing of, the Company's securities pursuant to Rule 6.01 of the Listing Rules if the operation of the Gaming Area fails to comply with applicable laws in the Cayman Islands and/or contravenes the Gambling Ordinance.

## **LISTING RULES IMPLICATIONS**

Each of Tan Sri Lim and Mr. Lim is an Executive Director, a substantial shareholder and a connected person of the Company. Each of Tan Sri Lim and Mr. Lim is a beneficiary of a discretionary trust, whose trustee (in its capacity as trustee of such discretionary trust) indirectly holds more than 30% of the equity interests in GENT. Each of OPOL, OPL and WLL is a direct wholly-owned subsidiary of GENM, which in turn is a subsidiary of GENT. Accordingly, each of OPOL (being a party to the Vessel Services Agreement), OPL (being a party to the Heads of Agreement) and WLL (being a party to the New Collaboration Agreement and the 2019 Collaboration Agreement) is considered to be an associate of each of Tan Sri Lim and Mr. Lim for the purposes of Chapter 14A of the Listing Rules, and is therefore a connected person of the Company under the Listing Rules. As a result, the transactions contemplated under the Vessel Services Agreement and the New Collaboration Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Vessel Services Agreement, the New Collaboration Agreement and the transactions contemplated thereunder, when aggregated with the Heads of Agreement and the 2019 Collaboration Agreement, are more than 0.1% but less than 5%, the Vessel Services Agreement, the New Collaboration Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **1. THE VESSEL SERVICES AGREEMENT**

On 1 April 2020 (after trading hours), OPOL (a direct wholly-owned subsidiary of GENM) and GCSL (an indirect wholly-owned subsidiary of the Company) entered into the Vessel Services Agreement, pursuant to which OPOL agreed to appoint GCSL as, and GCSL agreed to accept its appointment as, the sole and exclusive provider of certain crewing, technical support and administrative support services to OPOL in relation to the operation of the Vessel.

#### **(A) Principal terms of the Vessel Services Agreement**

The principal terms of the Vessel Services Agreement are summarised below:

Date	:	1 April 2020
Parties	:	(1) OPOL (a direct wholly-owned subsidiary of GENM); and (2) GCSL (an indirect wholly-owned subsidiary of the Company).
Term	:	Commencing from 1 April 2020 and ending on 31 December 2022, unless otherwise terminated according to the terms of the Vessel Services Agreement, including termination by (a) either party giving 30 days prior written notice of termination to the other party; or (b) the relevant charter agreement between OPOL and the owner of the Vessel having been terminated or expired.

Services to be provided : GCSL shall provide crewing, technical support and administrative support services for the Vessel to OPOL including, without limitation:

- (a) making available to OPOL competent and qualified employees for the operation of the Vessel;
- (b) arranging repair, alteration, improvement and maintenance works on the Vessel as required by OPOL;
- (c) maintaining the Vessel's registration under and in accordance with the laws of its present flag state;
- (d) arranging and supplying all necessary consumables and technical supplies for the operation of the Vessel;
- (e) appointing, on OPOL's behalf, surveyors, consultants, engineers, brokers, out-port agents and other advisers as necessary to protect or advance OPOL's interest in the Vessel;
- (f) providing ship management services on the marine operations, nautical, safety and security and technical administration, deck and engine crewing services, technical purchasing and maritime information systems;
- (g) providing accounting services in relation to the Vessel and insurance arrangements and administrative services for the operation of the Vessel;
- (h) providing emergency liaison services and services relevant to and in compliance with the International Safety Management Code and the International Ship and Port Facility Security Code developed by the International Maritime Organization; and
- (i) providing such other advice and assistance as may be required in connection with the above services.

Fees : OPOL shall pay to GCSL a monthly management fee of US\$10,000 for the services under the Vessel Services Agreement.

In addition, OPOL shall pay to GCSL:

- (a) 103.75% of the crew payroll and related expenses reasonably incurred by GCSL in providing or procuring crewing services;
- (b) 108% of the expenses and disbursements reasonably incurred by GCSL in providing or procuring technical support services; and

- (c) 105% of the expenses and disbursements reasonably incurred by GCSL in providing or procuring administrative support services.

***Fees payable under the Vessel Services Agreement***

The monthly management fee of US\$10,000 payable by OPOL to GCSL for the services under the Vessel Services Agreement was determined with reference to (i) the prevailing management fees charged by independent third party service providers for similar services in the market; and (ii) the nature and use of the Vessel.

The additional fees payable by OPOL to GCSL under the Vessel Services Agreement were determined based on the projection of costs to be incurred by GCSL plus a percentage mark-up of 3.75% for crewing services, 8% for technical support services and 5% for administrative support services. The percentage mark-ups were determined with reference to (i) the prevailing service fees charged by independent third party service providers for similar services in the market; and (ii) the level of technical requirements required for the services under the Vessel Services Agreement, in accordance with prevailing market conditions. The additional fees charged by GCSL shall not be more favourable to OPOL than those available from independent third party suppliers.

The additional fees payable by OPOL shall be settled on a monthly basis. In any event, payment shall be made to GCSL within 30 days from the date of each invoice for the fees payable under the Vessel Services Agreement.

In determining the prevailing management fees and service fees for similar services in the market, GCSL and OPOL have considered quotations from comparable yacht managers offering similar services. The Group will regularly supervise and monitor the fees charged for the services under the Vessel Services Agreement to ensure that such fees are not more favourable to OPOL than those available from independent third party suppliers in comparable transactions.

**(B) Annual caps and basis of determination**

The estimated aggregate maximum amounts receivable by the Group under the Vessel Services Agreement are as follows:

	<b>For the period from the date of the Vessel Services Agreement, being 1 April 2020, to 31 December 2020</b>	<b>For the year ending 31 December</b>	
	<i>US\$'000</i>	<b>2021</b> <i>US\$'000</i>	<b>2022</b> <i>US\$'000</i>
Annual Cap	6,400 (approximately HK\$49,920,000)	8,500 (approximately HK\$66,300,000)	8,500 (approximately HK\$66,300,000)

The above Annual Caps are determined based on (i) the agreed management fee and the Company's projection on the expenses and disbursements to be incurred for the services under the Vessel Services Agreement; (ii) the abovementioned applicable percentage mark-ups on the additional fees payable under the Vessel Services Agreement; and (iii) a buffer of 10% to allow flexibility in carrying out the transactions.

## 2. THE NEW COLLABORATION AGREEMENT

On 1 April 2020 (after trading hours), WLL (a direct wholly-owned subsidiary of GENM) and BSEL (an indirect wholly-owned subsidiary of the Company) entered into the New Collaboration Agreement in relation to the operation and management of the Gaming Area.

### (A) Principal terms of the New Collaboration Agreement

The principal terms of the New Collaboration Agreement are summarised below:

Date	:	1 April 2020
Parties	:	(1) WLL (a direct wholly-owned subsidiary of GENM); and (2) BSEL (an indirect wholly-owned subsidiary of the Company).
Term	:	Commencing from 1 April 2020 and ending on 31 December 2022, unless otherwise terminated according to the terms of the New Collaboration Agreement, including termination by (a) either party giving 6 months prior written notice of termination to the other party; or (b) the relevant charter agreements in relation to the Vessel having been terminated or expired.
Operation and management of the Gaming Area	:	BSEL shall be responsible for the provision of operation, management and support services for the Gaming Area, and WLL shall be responsible for the costs and expenses in relation to the charter of the Vessel and shall make available the Gaming Area.

WLL and BSEL shall be jointly and equally entitled to and responsible for the financial results of the Gaming Area (“**Financial Results**”), which shall be determined in accordance with the formula below:

$$\text{Financial Results} = \frac{\text{Total revenue generated by operating the Gaming Area} - \text{Agreed Costs and Expenses}}{\text{Total revenue generated by operating the Gaming Area} - \text{Agreed Costs and Expenses}}$$

“**Agreed Costs and Expenses**” refers to costs and expenses, as budgeted for and approved by the parties, that may be incurred and arising from the operation and management of the Gaming Area, which include charter and related costs in relation to the Vessel, marketing and promotional costs, and operating costs for the Gaming Area, which shall be charged at cost.

Throughout the term of the New Collaboration Agreement, BSEL shall provide to WLL (i) (for review and recording purposes only) a monthly statement setting out the Financial Results within 15 days after the end of each calendar month; (ii) a quarterly statement setting out the Financial Results (the “**Quarterly Report**”) within 20 days after the end of each quarter of each calendar year; and (iii) an annual statement setting out the Financial Results as of the end of each calendar year (the “**Annual Report**”) within 90 days after the end of each calendar year.

In the event that the Quarterly Report sets out negative Financial Results (that is, the Agreed Costs and Expenses are higher than the total revenue generated by operating the Gaming Area), each of WLL and BSEL shall contribute an amount equal to 50% of the shortfall amount within 30 days from the date of receipt of the Quarterly Report. In the event that the Quarterly Report sets out positive Financial Results (that is, the Agreed Costs and Expenses are lower than the total revenue generated by operating the Gaming Area), each of WLL and BSEL shall be entitled to receive 50% of the surplus amount within 30 days from the date of provision of the Quarterly Report. If any adjustments are made to the profit or loss of the Gaming Area in the Annual Report, each party shall contribute or be entitled to (as applicable) the necessary adjustment amount.

BSEL and WLL shall discuss in good faith in determining any subsequent funding that may be required to meet the operational needs from time to time, whenever applicable.

Exclusivity : Throughout the term of the New Collaboration Agreement, BSEL shall be the sole and exclusive operator and manager of the Gaming Area, and WLL shall not appoint or engage any third party to provide any gaming activity-related services on board the Vessel without the prior written approval of BSEL.

**(B) Historical transaction amount, annual caps and basis of determination**

***Historical transaction amount***

Under the 2019 Collaboration Agreement, each of BSEL and WLL contributed an amount of EUR 25,000 (approximately HK\$214,618) as initial funding to support the operations and management of the Gaming Area. The total amount shared by BSEL in relation to the provision of operation, management and support services for the Gaming Area was US\$733,600 (equivalent to approximately HK\$5,722,080) for the period ended 31 December 2019.

### ***Annual caps and basis of determination***

The estimated aggregate maximum amounts sharable by the Group under the New Collaboration Agreement are as follows:

	<b>For the period from 1 April 2020 to 31 December 2020</b>	<b>For the year ending 31 December</b>	
	<i>US\$'000</i>	<b>2021</b>	<b>2022</b>
Annual Cap	6,600	<i>US\$'000</i> 8,800	<i>US\$'000</i> 8,800
	(approximately HK\$51,480,000)	(approximately HK\$68,640,000)	(approximately HK\$68,640,000)

The estimated aggregate maximum amounts contributable by the Group under the New Collaboration Agreement are as follows:

	<b>For the period from 1 April 2020 to 31 December 2020</b>	<b>For the year ending 31 December</b>	
	<i>US\$'000</i>	<b>2021</b>	<b>2022</b>
Annual Cap	6,600	<i>US\$'000</i> 8,800	<i>US\$'000</i> 8,800
	(approximately HK\$51,480,000)	(approximately HK\$68,640,000)	(approximately HK\$68,640,000)

In determining the above Annual Caps, the Directors took into account the following factors: (i) the historical transaction amount for the period ended 31 December 2019; (ii) the Company's projection of the Agreed Costs and Expenses; and (iii) a buffer of 10% to allow flexibility in carrying out the transactions.

### **(C) Information on the Gaming Area**

#### ***The Gaming Area***

The Gaming Area commenced operation in December 2019 and is operated under the brand name "Resorts World At Sea". It is situated in a designated area on board the Vessel, which is Cayman Islands flagged. There are two multi-purpose gaming tables in the Gaming Area.

Pursuant to the New Collaboration Agreement and throughout the term thereof:

- (a) BSEL shall, among other things:
  - (i) manage and operate the Gaming Area in an efficient and commercially reasonable manner;
  - (ii) at its own costs and expenses, source and ensure that the Gaming Area is equipped with the appropriate gaming equipment and system(s);
  - (iii) deploy or delegate certain qualified and suitable crew to supervise the operation of the Gaming Area;
  - (iv) provide a marketing plan and strategy in connection with the Gaming Area;

- (v) make available, at its sole discretion, a cheque cashing facility to the guests of the Gaming Area in accordance with the Policies and Procedures and within the limit mutually agreed by both BSEL and WLL;
  - (vi) procure, direct and recommend customers to enjoy the facilities of the Vessel and the Gaming Area;
  - (vii) provide all general support services; and
  - (viii) establish reasonable operating policies, standards, internal controls and any other matters affecting or required for the operation and maintenance of the Gaming Area to ensure that the Gaming Area is operated in an orderly, controlled and secure manner;
- (b) WLL shall, among other things:
- (i) pay and settle fees payable in relation to the charter of the Vessel;
  - (ii) procure, direct and recommend customers to enjoy the facilities of the Vessel and the Gaming Area; and
  - (iii) use its best endeavours to provide such facilities and services that are reasonably required by BSEL in discharging its obligations under the New Collaboration Agreement.

Based on the Cayman Islands legal advice obtained by the Company, there is no requirement pursuant to the Merchant Shipping Law, the Gambling Law or otherwise pursuant to Cayman Islands law that a vessel on which Gaming Activities occur in international waters whilst on an international voyage should obtain any licence or permit from the Cayman Islands authorities.

The Gaming Activities take place on board the Vessel outside of Hong Kong on international waters, and the bookmaking transactions and the parties to the transactions are outside of Hong Kong on international waters. Accordingly, the Gaming Activities do not contravene the Gambling Ordinance. The Company will ensure that throughout the holding of its interests and investment in the Gaming Area, the operation of the Gaming Area will comply with the applicable laws in the relevant jurisdiction(s) where it operates.

***Internal controls on anti-money laundering and counter-terrorist financing***

Pursuant to the New Collaboration Agreement, WLL and BSEL acknowledged and agreed that the operation and management of the Gaming Area shall comply with the relevant Policies and Procedures issued from time to time by the Company and adopted by BSEL, including but not limited to customer due diligence requirements and detection of suspicious transactions. In this regard, BSEL shall be responsible for implementing and executing an anti-money laundering and counter-terrorist financing program for the Gaming Area.

The Group conducts internal control reviews on the internal systems and procedures, and anti-money laundering and counter-terrorist financing policies adopted by the Gaming Area on a regular basis.



Based on the above and upon review of the Policies and Procedures, the legal opinion from qualified lawyers in the Cayman Islands obtained by the Company has confirmed that the Policies and Procedures appear to be comprehensive and well drafted, assuming that they generally represent the industry standard for the casino industry. If followed, the Policies and Procedures should mitigate the risk that the Gaming Area will be at risk of committing a money laundering offence in the Cayman Islands.

**(D) Risks relating to the operation and management of the Gaming Area and the gaming industry in the Cayman Islands**

**The winnings of the players at the Gaming Area could exceed the winnings generated at the Gaming Area**

Revenue generated at the Gaming Area is mainly derived from the difference between the winnings generated at the Gaming Area and the winnings of its players. Since there is an inherent element of chance in the gaming industry, the parties to the New Collaboration Agreement do not have full control over the winnings generated at the Gaming Area or the winnings of its players. If the winnings generated at the Gaming Area are less than the winnings of its players, it may record a loss from its gaming operations, and the business, financial condition and results of operations of the Gaming Area could be materially and adversely affected.

**Theoretical win rates for the operations at the Gaming Area depend on a variety of factors, some of which are beyond the control of the parties to the New Collaboration Agreement**

The gaming industry is characterised by an element of chance. In addition to the element of chance, theoretical win rates are also affected by other factors, including players' skill and experience, the financial resources of players, the spread of table limits, the volume of bets placed by players and the amount of time players spend on gambling. Thus, the actual win rates of the Gaming Area may differ greatly over short periods of time and could cause the results of the Gaming Area to be volatile. These factors, alone or in combination, have the potential to negatively impact the win rates of the Gaming Area, and the business, financial condition and results of operations of the Gaming Area could be materially and adversely affected.

**The Company cannot assure that its anti-money laundering policies will be effective in preventing the occurrence of money laundering or other illegal activities in the Gaming Area**

Based on the experience of the management for the Gaming Area, the Company implements anti-money laundering policies in compliance with all applicable laws and regulations in the Cayman Islands for the Gaming Activities. However, the Company cannot assure that such policies will be effectively carried out by responsible personnel in order to prevent its operations from being exploited for money laundering purposes. Any incidents of money laundering, accusations of money laundering or regulatory investigations into possible money laundering activities involving the Gaming Area, the manager of the Vessel, the employees or its players could have a material adverse impact on its reputation, relationship with regulators, business, cash flows, financial condition, prospects and results of operations. Any serious incident of money laundering or regulatory investigation into money laundering activities may cause a revocation or suspension of the operations of the Gaming Area.

## **Demand for the Gaming Activities is sensitive to downturns in the economy, economic uncertainties and other factors affecting discretionary consumer spending**

Demand for the Gaming Activities is sensitive to downturns and uncertainties in the global and regional economy and corresponding decreases in discretionary consumer spending, including leisure activities. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, energy, fuel and other commodity costs, the cost of travel, employment and job market conditions, actual or perceived levels of disposable consumer income and wealth, and consumer confidence in the economy. These and other factors have in the past reduced consumer demand for the gaming services, imposed practical limits on pricing and materially and adversely affected their business, financial condition and results of operations, and could affect the liquidity position of the Gaming Area.

### **(E) Legal opinion and regulatory environment**

The Gaming Activities take place on board the Vessel (which is Cayman Islands flagged) outside of Hong Kong on international waters. Pursuant to Guidance Letter HKEX-GL71-14 issued by the Stock Exchange, the Stock Exchange may direct the Company to take remedial action and/or may suspend dealings in, or may cancel the listing of, the Company's securities pursuant to Rule 6.01 of the Listing Rules if the operation of the Gaming Area fails to comply with applicable laws in the Cayman Islands and/or contravenes the Gambling Ordinance.

Based on the legal opinion from qualified lawyers in the Cayman Islands, pursuant to the Merchant Shipping Law, the Gambling Law or otherwise pursuant to Cayman Islands law, the Vessel is a passenger ship and the Gaming Activities (which occur in international waters whilst on an international voyage) are not subject to any requirement to obtain any licence or permit from the Cayman Islands authorities and do not violate any applicable laws in the Cayman Islands.

The Company has also been advised that the Gaming Activities do not contravene the Gambling Ordinance.

## **3. PRIOR TRANSACTIONS**

### ***Heads of Agreement***

On 25 April 2019, OPL (a direct wholly-owned subsidiary of GENM) and CIAL (an indirect wholly-owned subsidiary of the Company) entered into the Heads of Agreement, pursuant to which CIAL provided certain crewing, technical support and non-technical support services to OPL for the operation of the Vessel from 25 April 2019 to 30 June 2019.

### ***2019 Collaboration Agreement***

On 9 December 2019, WLL and BSEL entered into the 2019 Collaboration Agreement, pursuant to which WLL and BSEL agreed to collaborate in a business arrangement in relation to the operation and management of the Gaming Area. The 2019 Collaboration Agreement commenced from the date thereof and was valid until 1 April 2020 when it was superseded by the New Collaboration Agreement.

Transactions conducted under the Heads of Agreement and the 2019 Collaboration Agreement were fully exempt from annual review and all disclosure requirements as all relevant applicable percentage ratios calculated in accordance with the Listing Rules were below 0.1%.

#### **4. INFORMATION ON THE PARTIES**

##### **Information on the Company, BSEL, CIAL and GCSL**

The Company is an investment holding company and its subsidiaries are principally engaged in the business of cruise and cruise-related operations, shipyard operations and leisure, entertainment and hospitality activities. Golden Hope Limited (“**Golden Hope**”) as trustee of the GHUT, which directly and indirectly holds 70.78% of the issued share capital of the Company as at the date of this announcement, is a substantial shareholder of the Company. Golden Hope as trustee of the GHUT is principally involved in investment holding.

BSEL is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of providing onboard cruise/yacht-related services.

CIAL is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the operation of travel-related business.

GCSL is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of general support services.

##### **Information on GENT, GENM, OPL, OPOL and WLL**

GENT is principally an investment holding and management company. It is the parent company of GENM, which is in turn the parent company of WLL. As at the date of this announcement, the single largest shareholder of GENT, Kien Huat Realty Sdn Berhad, holds 42.606% (as direct interest) and 0.241% (as deemed interest) of the total issued shares of GENT. The principal business activity of Kien Huat Realty Sdn Berhad is investment holding.

GENM is involved in an integrated resort business at Genting Highlands, a high-altitude hill resort in Malaysia, and its principal activities cover leisure and hospitality services, which comprise gaming, hotels, food and beverage, theme parks, retail and entertainment attractions. The principal activities of GENM’s subsidiaries include operation of casinos, leisure and hospitality services, property investment and management, investments, tours and travel related services and provision of sales and marketing services.

OPL is a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of GENM. It is principally engaged in the ownership and charter of the Vessel.

OPOL is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of GENM. It is principally engaged in the operation of the Vessel.

WLL is a company incorporated in the Isle of Man with limited liability and a direct wholly-owned subsidiary of GENM. It is principally engaged in leisure and entertainment activities (including gaming operations) on board the Vessel.

## **5. REASONS FOR AND BENEFITS OF ENTERING INTO THE VESSEL SERVICES AGREEMENT AND THE NEW COLLABORATION AGREEMENT**

### **The Vessel Services Agreement**

For the Vessel Services Agreement, the Group is able to leverage its experience in cruise operation and tap into new opportunities in the luxury yacht sector.

The Board (including the Independent Non-executive Directors) considers that the terms of the Vessel Services Agreement (including, inter alia, the service fees) were negotiated and arrived at on normal commercial terms and on an arm's length basis, and are fair and reasonable with reference to the prevailing fees charged by comparable yacht managers for similar services. As such, the terms of the Vessel Services Agreement are not more favourable to OPOL, being a connected person of the Company, than those offered by other independent third parties in comparable transactions, and were entered into in the ordinary and usual course of business of the Group. Accordingly, the entering into of the Vessel Services Agreement is in the interests of the Company and its Shareholders as a whole.

### **The New Collaboration Agreement**

By entering into the New Collaboration Agreement, the Group is able to provide a more diversified leisure option and services for its customers while tapping into a new business opportunity with a unique vessel. The Company considers that the 50:50 business structure in respect of the operation and financial results of the Gaming Area reflects a fair and reasonable arrangement between WLL and BSEL given each party's (i) equal funding commitment to the Gaming Area; and (ii) differing but complementary contributions to the operation and management of the Gaming Area where WLL provides the venue and BSEL contributes the know-how.

The Board (including the Independent Non-executive Directors) considers that the New Collaboration Agreement was entered into in the ordinary and usual course of business of the Group, and that the terms thereof were negotiated and arrived at on normal commercial terms and on an arm's length basis, and are fair and reasonable with reference to the contributions made by each of WLL and BSEL. The terms of the New Collaboration Agreement are no more favorable to WLL given that the risk being shared between WLL and BSEL is on an equal basis. Accordingly, the entering into of the New Collaboration Agreement is in the interests of the Company and its Shareholders as a whole.

As at the date of this announcement, each of Tan Sri Lim and Mr. Lim, whom, by virtue of his respective connected relationships with OPOL, WLL, OPL and GENM as disclosed below, is regarded as having a material interest in the transactions contemplated under the Vessel Services Agreement and the New Collaboration Agreement, and has abstained from voting on the relevant Board resolutions approving the Vessel Services Agreement and the New Collaboration Agreement.

## **6. LISTING RULES IMPLICATIONS**

Each of Tan Sri Lim and Mr. Lim is an Executive Director, a substantial shareholder and a connected person of the Company. Each of Tan Sri Lim and Mr. Lim is a beneficiary of a discretionary trust, whose trustee (in its capacity as trustee of such discretionary trust) indirectly holds more than 30% of the equity interests in GENT. Each of OPOL, OPL and WLL is a direct wholly-owned subsidiary of GENM, which in turn is a subsidiary of GENT. Accordingly, each of OPOL (being a party to the Vessel Services Agreement), OPL (being a party to the Heads of Agreement) and WLL (being a party to the New Collaboration Agreement and the 2019 Collaboration Agreement) is considered to be an associate of each of Tan Sri Lim and Mr. Lim for the purposes of Chapter 14A of the Listing Rules, and is therefore a connected person of the Company under the Listing Rules. As a result, the transactions contemplated under the Vessel Services Agreement and the New Collaboration Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Vessel Services Agreement, the New Collaboration Agreement and the transactions contemplated thereunder, when aggregated with the Heads of Agreement and the 2019 Collaboration Agreement, are more than 0.1% but less than 5%, the Vessel Services Agreement, the New Collaboration Agreement and the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event that any of the Annual Caps is exceeded or any of the Vessel Services Agreement and/or the New Collaboration Agreement is renewed or materially varied in respect of the terms thereof, the Company will re-comply with the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules, where applicable.

The Company confirms that, based on the Cayman Islands legal advice obtained by the Company, the Gaming Activities do not violate any applicable laws in the Cayman Islands. The Company has also been advised that the Gaming Activities do not contravene the Gambling Ordinance. Shareholders and potential investors of the Company should note that, pursuant to Guidance Letter HKEX-GL71-14 issued by the Stock Exchange, the Stock Exchange may direct the Company to take remedial actions and/or may suspend dealings in, or may cancel the listing of, the Company's securities pursuant to Rule 6.01 of the Listing Rules if the operation of the Gaming Area fails to comply with applicable laws in the Cayman Islands and/or contravenes the Gambling Ordinance.

## **7. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2019 Collaboration Agreement”	the collaboration agreement dated 9 December 2019 entered into between WLL and BSEL in relation to the provision of operation, management and support services by BSEL for the Gaming Area on board the Vessel
--------------------------------	--

“Agreed Costs and Expenses”	has the meaning ascribed to it under the sub-paragraph headed “2. The New Collaboration Agreement – (A) Principal terms of the New Collaboration Agreement – Operation and management of the Gaming Area” in this announcement
“Annual Cap(s)”	the maximum aggregate annual amounts under the Vessel Services Agreement or the New Collaboration Agreement (as the case may be)
“associate(s)”, “connected person(s)”, “subsidiary(ies)”, “substantial shareholder(s)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BSEL”	Best Season Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“CIAL”	Crystal International (Asia) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	Genting Hong Kong Limited, an exempted company continued into Bermuda with limited liability, having its Shares listed on the Main Board of the Stock Exchange (stock code: 678)
“Director(s)”	the director(s) of the Company
“EUR”	Euro(s), the lawful currency of the participating states within the European Union
“Gambling Law”	Gambling Law (2016 Revision) of the Cayman Islands
“Gambling Ordinance”	Gambling Ordinance (Chapter 148 of the Laws of Hong Kong)
“Gaming Activities”	gaming business or activities conducted in the Gaming Area and/or the operation of the Gaming Area
“Gaming Area”	gaming facilities situated in a designated area on board the Vessel
“GCSL”	Genting Corporate Services (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“GENM”	Genting Malaysia Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad and a subsidiary of GENT, and an associate of each of Tan Sri Lim and Mr. Lim for the purposes of the Listing Rules as at the date of this announcement
“GENT”	Genting Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad and the parent company of GENM, and an associate of each of Tan Sri Lim and Mr. Lim for the purposes of the Listing Rules as at the date of this announcement
“GHUT”	Golden Hope Unit Trust, a private unit trust which is held, directly and indirectly, by Summerhill Trust Company (Isle of Man) Limited as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim, Mr. Lim and certain other members of Tan Sri Lim’s family
“Group”	the Company and its subsidiaries
“Heads of Agreement”	the heads of agreement dated 25 April 2019 entered into between OPL and CIAL in relation to the provision of certain crewing, technical support and non-technical support services by CIAL to OPL in relation to the operation of the Vessel
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merchant Shipping Law”	Merchant Shipping Law (2016 Revision) of the Cayman Islands
“Mr. Lim”	Mr. Lim Keong Hui, the Deputy Chief Executive Officer and Executive Director and a substantial shareholder of the Company, and a son of Tan Sri Lim
“New Collaboration Agreement”	the collaboration agreement dated 1 April 2020 entered into between WLL and BSEL in relation to the operation and management of the Gaming Area, as more particularly described in the section headed “2. The New Collaboration Agreement” in this announcement, which superseded the 2019 Collaboration Agreement
“OPL”	Orient Peace Limited, a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of GENM

“OPOL”	Orient Peace Operations Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of GENM
“Policies and Procedures”	various policies and procedures in relation to the anti-money laundering measures adopted by BSEL, namely, (i) the Anti-Money Laundering Policy of the Company dated 1 September 2016; (ii) the AML Program Framework of the Company dated 1 September 2016; (iii) Know-Your-Customer Procedure of the Company dated 31 August 2016; (iv) Member Risk Scoring Procedure of the Company dated 31 August 2016; (v) Transaction Monitoring Procedure of the Company dated 31 August 2016; and (vi) Record-Keeping and Document Retention Procedure of the Company dated 31 August 2016
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) with par value of US\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tan Sri Lim”	Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer, an Executive Director and a substantial shareholder of the Company, and the father of Mr. Lim
“US\$”	United States dollar(s), the lawful currency of the United States
“Vessel”	a Cayman Islands flagged luxury yacht named MV “Tranquility” having a passenger capacity of up to 26, with International Maritime Organization (IMO) number 1012086 and official number 745188, which is owned by OPL, a direct wholly-owned subsidiary of GENM
“Vessel Services Agreement”	the agreement dated 1 April 2020 entered into between OPOL and GCSL in relation to the provision of certain crewing, technical support and administrative support services as more particularly described in the section headed “1. The Vessel Services Agreement” in this announcement
“WLL”	Worldwide Leisure Limited, a company incorporated in the Isle of Man with limited liability and a direct wholly-owned subsidiary of GENM



“0%”

per cent

By Order of the Board  
**Tan Sri Lim Kok Thay**  
*Chairman and Chief Executive Officer*

Hong Kong, 1 April 2020

*As at the date of this announcement, the Board comprises two Executive Directors, namely Tan Sri Lim Kok Thay and Mr. Lim Keong Hui, and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Lam Wai Hon, Ambrose and Mr. Justin Tan Wah Joo.*

*Unless otherwise specified, the conversions of US\$ and EUR into HK\$ is based on the exchange rate of US\$1.00 = HK\$7.80 and EUR1.00 = HK\$ 8.5847 respectively for the purpose of illustration only. No representation is made that the amounts stated in this announcement have been or could have been or could be converted at the above rates.*