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

MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF INTEREST IN GENTING MACAU

The Board announces that on 10 November 2020, the Vendor (a direct wholly-owned subsidiary of the Company), the Purchaser and the Guarantor entered into the Sale and Purchase Agreement relating to the sale and purchase of the Sale Shares and the Sale Loan for a total consideration of HK\$750,000,000. Pursuant to the Sale and Purchase Agreement, the Vendor and the Purchaser have also each granted the other the Call Option and the Put Option (as applicable) in respect of the Option Shares.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 25% but all are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

INTRODUCTION

The Board announces that on 10 November 2020, the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser and the Guarantor, pursuant to which (i) the Vendor agreed to sell and assign, and the Purchaser agreed to purchase and accept the assignment of, the Sale Shares (representing 50% of the then total issued share capital of Genting Macau) and the Sale Loan for the Consideration as set out in this announcement; and (ii) the Vendor agreed to grant to the Purchaser the Call Option to purchase the Option Shares and the Purchaser agreed to grant to the Vendor the Put Option to sell the Option Shares.

THE SALE AND PURCHASE AGREEMENT

Date

10 November 2020

Parties

- (i) The Vendor (a direct wholly-owned subsidiary of the Company)
- (ii) The Purchaser
- (iii) The Guarantor

Subject matter

The Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares (representing 50% of the then total issued share capital of Genting Macau) at Completion.

The Vendor agreed to sell and assign and the Purchaser agreed to purchase and accept the assignment of all rights, title, benefits and interests of and in the Sale Loan and together with all rights attaching thereto on or after the Completion Date.

Genting Macau and its subsidiaries (being the Target Group) are principally engaged in the development of hospitality facilities. TIECL, a subsidiary of Genting Macau, is the registered and beneficial owner of the Land.

Consideration

The Consideration payable by the Purchaser to the Vendor for the Sale Shares and the Sale Loan is HK\$750,000,000 (equivalent to approximately US\$96,154,000), comprising the Share Consideration of HK\$50,000,000 (equivalent to approximately US\$6,410,000) and the Loan Consideration of HK\$700,000,000 (equivalent to approximately US\$89,744,000).

Under the Sale and Purchase Agreement, the Consideration shall be satisfied by the Purchaser in the following manner:

- (i) an initial non-refundable deposit of HK\$150,000,000 shall be paid by the Purchaser to the Vendor on the date of the Sale and Purchase Agreement by releasing the Earnest Money;
- (ii) a further non-refundable deposit of HK\$100,000,000 shall be paid by the Purchaser to the Vendor on the date of the Sale and Purchase Agreement by way of telegraphic transfer;
- (iii) another further non-refundable deposit of HK\$360,000,000 shall be paid by the Purchaser to the Vendor on or before 30 November 2020 by way of telegraphic transfer; and

- (iv) the balance of the Consideration of HK\$140,000,000 shall be paid upon Completion or by the Long Stop Date (whichever is earlier) by the Purchaser to the Vendor by way of telegraphic transfer.

Basis of Determining the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser and are on normal commercial terms, taking into account various factors, including the future prospects of Genting Macau's business and the value of certain of its assets.

Condition Precedent

Completion is conditional upon the fulfilment (or, if applicable, waiver) of the approval by the Shareholders in respect of the Transaction in accordance with the requirements of the Listing Rules ("**Condition Precedent**") on or before the Long Stop Date.

If the Condition Precedent is not fulfilled (or, if applicable, waived) on or before the Long Stop Date, the Vendor shall be entitled to terminate the Sale and Purchase Agreement.

Completion

Subject to the fulfillment (or, if applicable, waiver) of the Condition Precedent, Completion shall take place at or before 3:00 p.m. on the Completion Date (or such other day as the parties to the Sale and Purchase Agreement ("**Parties**") may agree in writing).

Termination

The Sale and Purchase Agreement may be terminated:

- (i) by the Vendor if the Condition Precedent has not been fulfilled (or, if applicable, waived) on or before the Long Stop Date;
- (ii) by either the Vendor or the Purchaser, if the other party fails to comply with its obligations on the Completion Date as required by the Sale and Purchase Agreement.

Guarantee

The Guarantor agreed to guarantee the performance of the Purchaser of its obligations and liabilities under the Sale and Purchase Agreement in the event the Purchaser fails to perform its obligations or liabilities under the Sale and Purchase Agreement.

Call Option and Put Option

The Vendor agreed to grant to the Purchaser the Call Option to purchase from the Vendor the Option Shares and the Purchaser agreed to grant to the Vendor the Put Option to require the Purchaser to purchase from the Vendor the Option Shares. The Call Option is exercisable for a period for 12 months from the Completion Date and the Put Option is exercisable for a period of 12 months following expiry of the exercise period for the Call Option. Each of the Options may be exercised by serving a written notice (the “**Option Notice**”) to the other party, and the exercise price of the Options is HK\$1.00 per Option Share. The sale and purchase of the Option Shares shall be completed on the date being the third Business Day after the date of the Option Notice.

Liabilities in relation to the Land

As from Completion, the Vendor shall not be liable towards any payment for satisfaction of any liabilities of the Target Group and the Purchaser agrees to take full responsibility to settle all liabilities of the Target Group, including but not limited to any construction costs and design costs incurred or to be incurred, due or payable, in connection with the development and construction of the Land (whether occurring before or after the date of the Sale and Purchase Agreement), and that no adjustment shall be made to the Consideration.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE TRANSACTION

The Transaction is aligned with the Group’s objective to sell non-core assets and will reduce the Group’s financial burden in meeting future funding requirements in relation to Genting Macau’s business. Further, the Transaction will increase the liquidity of the Group, with the proceeds being used for general working capital for the Group, thereby enabling layup of the cruise ships in its fleet which are not in operation as well as the ongoing operation of those cruise ships that continue to sail, in addition to funding the Group’s cruise-related and other operations.

In view of the above, the Directors are of the view that the terms of the Transaction and the Sale and Purchase Agreement are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE PARTIES

The Company and the Vendor

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 approximately 70.91% 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. The Vendor is an investment holding company and a direct wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is an investment holding company standing in the Marshall Islands. Ms. Ao Mio Leong, as a principal shareholder and the current director of the Purchaser, is a Macau located investor, whose activities are concentrated in real estate, leisure, and hospitality investments.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of the Company and connected persons of the Company.

The Guarantor

The Guarantor is a Macau businesswoman and the principal shareholder of the Purchaser.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Guarantor is a third party independent of the Company and connected persons of the Company.

The Target Group

Genting Macau is a company incorporated in the BVI with limited liability. The Target Group is principally engaged in the development of hospitality facilities. As at 30 September 2020, the unaudited consolidated net liability value of Target Group was approximately US\$67,800,000 (prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS")). The consolidated net loss of Target Group for each of the two financial years ended 31 December 2018 and 31 December 2019 (prepared in accordance with HKFRS) are set out below:

	For the year ended 31 December 2018 (unaudited) US\$'000	For the year ended 31 December 2019 (unaudited) US\$'000
Net loss before taxation	7,885	8,068
Net loss after taxation	7,885	8,068

FINANCIAL EFFECT OF THE TRANSACTION

The Transaction is estimated to result in a loss of approximately US\$159,000,000, after taking into consideration the net proceeds from the Transaction (after deducting the estimated expenses related to the Transaction) of approximately HK\$748,477,000 (equivalent to approximately US\$95,958,000), the consolidated net liability value of the Target Group as at 30 September 2020, loss on assignment of the Sale Loan and impairment of receivables from Target Group.

As at the date of this announcement, Genting Macau is an indirect wholly-owned subsidiary of the Company. After the Completion, Genting Macau will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 25% but all are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

As the exercise of the Call Option is at the discretion of the Purchaser, according to Rule 14.74(1) of the Listing Rules, on the grant of the Call Option, the premium and the exercise price will be taken into consideration for the purpose of transaction classification. As there is no premium and the exercise price of the Call Option is HK\$1.00 per Option Share, such acceptance of the Call Option will not constitute a notifiable transaction of the Company under the Listing Rules. As the exercise of the Put Option is at the discretion of the Vendor, according to Rule 14.75(1) of the Listing Rules, on the grant of the Put Option, only the premium will be taken into consideration for the purpose of transaction classification. As there is no premium, such acceptance of the Put Option will not constitute a notifiable transaction of the Company under the Listing Rules.

So far as the Company is aware, as at the date of this announcement, no Shareholder has a material interest in the Transaction which would require it to abstain from voting at the SGM if it were convened to approve the Transaction. In accordance with Rule 14.44 of the Listing Rules, in lieu of holding a SGM for approving the Transaction, the Company will obtain written Shareholders' approval in respect of the Transaction from a closely allied group of Shareholders comprising Golden Hope as trustee of the GHUT, Joondalup and Tan Sri Lim, which together hold an aggregate of 6,383,964,385 Shares, representing approximately 75.26% of the issued share capital of the Company as at the date of this announcement.

Pursuant to Rule 14.41(a) of the Listing Rules, the Company is required to despatch to Shareholders for information purposes a circular containing, among other things, further information on the Transaction within 15 business days (as defined in the Listing Rules) after the publication of this announcement. As additional time is required for the Company to prepare the relevant financial and other information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange so that the despatch date of the circular can be postponed to a date, more than 15 business days (as defined in the Listing Rules) after the publication of this announcement, which is expected to be on or before 31 December 2020.

AS COMPLETION IS SUBJECT TO THE FULFILMENT (OR IF APPLICABLE, WAIVER) OF THE CONDITION PRECEDENT AS SET OUT IN THE SALE AND PURCHASE AGREEMENT, THE TRANSACTION MAY OR MAY NOT PROCEED. THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE DISPOSAL OR THE GRANT OF THE PUT OPTION OR CALL OPTION WILL BE IMPLEMENTED OR COMPLETED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SHARES.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“BVI”	British Virgin Islands
“Call Option”	the call option granted by the Vendor to the Purchaser to purchase from the Vendor the Option Shares under the Sale and Purchase Agreement
“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
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the Sale Loan
“Completion Date”	the 3 rd Business Day after the date on which the Vendor gives written notice to the Purchaser that the Condition Precedent is fulfilled (or, if applicable, waived), or such other date as the Parties may mutually agree in writing
“Condition Precedent”	has the meaning given in this announcement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	HK\$750,000,000, being the aggregate consideration of the Share Consideration and the Loan Consideration
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal of the Sale Shares and the assignment of the Sale Loan pursuant to the Sale and Purchase Agreement
“Earnest Money”	the amount of HK\$150,000,000 of earnest money paid by the Purchaser to the Vendor before the date of this announcement
“Genting Macau”	Genting Macau Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“GHUT”	Golden Hope Unit Trust, a private unit trust which is wholly 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 and certain members of Tan Sri Lim’s family
“Golden Hope”	Golden Hope Limited, a company incorporated in the Isle of Man with limited liability and a substantial shareholder of the Company holding directly 5,468,692,124 Shares (representing approximately 64.47% of the Company’s issued share capital as at the date of this announcement) in its capacity as trustee of the GHUT
“Group”	the Company and its subsidiaries
“Guarantor”	Ms. Ao Mio Leong
“HKFRS”	has the meaning given in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joondalup”	Joondalup Limited, a company incorporated in the Isle of Man with limited liability holding directly 546,628,908 Shares (representing approximately 6.44% of the Company’s issued share capital as at the date of this announcement). Joondalup is wholly-owned by Golden Hope as trustee of the GHUT
“Land”	a leased land situated in Praca Ferreira do Amaral registered with the Real Estate Registry of Macau

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Consideration”	consideration for the assignment of the Sale Loan in the amount of HK\$700,000,000
“Long Stop Date”	11 December 2020 or such other date as the Vendor and the Purchaser may agree in writing
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Options”	the Call Option and the Put Option
“Option Notice”	has the meaning given in this announcement
“Option Shares”	50 ordinary shares of par value of US\$1 each in the share capital of Genting Macau, representing 50% interest in the entire issued share capital of Genting Macau
“Parties”	has the meaning given in this announcement
“Purchaser”	White Supreme Corporation, a company incorporated in the Republic of the Marshall Islands with limited liability
“Put Option”	the put option granted by the Purchaser to the Vendor to require the Purchaser to purchase from the Vendor the Option Shares under the Sale and Purchase Agreement
“Sale Loan”	the entire amount of the shareholder’s loan and interest owing by Genting Macau to the Vendor, the aggregate amount as at the date of the Sale and Purchase Agreement was not less than HK\$800,000,000
“Sale Shares”	50 ordinary shares of par value of US\$1 each in the share capital of Genting Macau, representing 50% interest in the entire issued share capital of Genting Macau
“Sale and Purchase Agreement”	a sale and purchase agreement dated 10 November 2020 entered into among the Vendor, the Purchaser and the Guarantor in relation to the sale and purchase of Sale Shares, the assignment of the Sale Loan and the grant of the Options
“SGM”	a special general meeting of the Company
“Shareholder(s)”	holder(s) of the Shares(s)

“Shares”	ordinary shares with par value of US\$0.10 each in the share capital of the Company
“Share Consideration”	consideration for the sale and purchase of the Sale Shares in the amount of HK\$50,000,000
“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 who directly holds 368,643,353 Shares (representing approximately 4.35% of the issued share capital of the Company as at the date of this announcement)
“Target Group”	Genting Macau and its subsidiaries
“TIECL”	Treasure Island Entertainment Complex Limited, a company incorporated in Macau with limited liability and an indirect subsidiary of the Company as at the date of this announcement
“Transaction”	the Disposal and the Options
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Star Cruises Asia Holding Ltd., a company incorporated in Bermuda with limited liability and a direct wholly-owned subsidiary of the Company
“%”	Per-cent

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

Hong Kong, 10 November 2020

As at the date of this announcement, the Board comprises three Executive Directors, namely Tan Sri Lim Kok Thay, Mr. Au Fook Yew (alias Mr. Colin Au) and Mr. Chan Kam Hing Chris, and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Lam Wai Hon, Ambrose and Mr. Justin Tan Wah Joo.

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.80 has been used, where appropriate, for the purposes of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates or at all.