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Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

CONTINUING CONNECTED TRANSACTIONS

On 10 December 2021, the Company entered into the following new agreements with ZJK to extend the term and to modify the scope of services (as the case may be) of the Existing Secret Garden Agreements and the continuing connected transactions contemplated thereunder for a further period of three years from 1 January 2022 to 31 December 2024:

1. The Secret Garden (Payable) Agreement in relation to the provision of services by the relevant members of ZJK Group to the relevant members of the Group; and
2. The Secret Garden (Receivable) Agreement in relation to the provision of services by the relevant members of the Group to the relevant members of ZJK Group.

In addition, on 28 December 2020, SCA as service recipient entered into the Ambadell Services Agreement with Ambadell as service provider to extend the service term which expired last year.

Tan Sri Lim is the Chairman and Chief Executive Officer, an Executive Director, a substantial shareholder and a connected person of the Company. By virtue of the interests of Tan Sri Lim in and/or his connected relationship with ZJK and Ambadell, each of ZJK (being a party to the Secret Garden Agreements) and Ambadell (being a party to the Ambadell Services Agreement) is considered to be an associate of Tan Sri Lim, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the Secret Garden Agreements and the Ambadell Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Annual Caps of the Secret Garden (Payable) Agreement are required to be aggregated with the Annual Caps of the Ambadell Services Agreement, due to their similar nature and the association of the counterparties to these transactions, for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios in respect of (i) the Annual Caps of the amounts receivable by the Group under the Secret Garden (Receivable) Agreement; (ii) the Annual Caps of the amounts payable by the Group under the Secret Garden (Payable) Agreement; and (iii) the Annual Caps of the aggregate amounts payable by the Group under the Secret Garden (Payable) Agreement and the Ambadell Services Agreement, exceed 0.1%, but all of them, whether individually or in aggregate, are less than 5%, and accordingly such transactions are subject to the reporting, annual review and announcement requirements but exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

On 10 December 2021, the Company entered into the Secret Garden Agreements with ZJK to extend the term and to modify the scope of services (as the case may be) of the Existing Secret Garden Agreements for a further period of three years from 1 January 2022 to 31 December 2024. ZJK is indirectly owned as to 59.95% by Datuk CW Lim, a brother of Tan Sri Lim, and 40.05% by Golden Hope Limited (as trustee of the GHUT). By virtue of the 40.05% and 59.95% indirect equity interests in ZJK held respectively by Golden Hope Limited (as trustee of the GHUT) (a substantial shareholder of the Company) and Datuk CW Lim (a brother of Tan Sri Lim), ZJK is regarded as a connected person of the Company.

In addition, on 28 December 2020, SCA (an indirect wholly-owned subsidiary of the Company) as service recipient entered into the Ambadell Services Agreement with Ambadell as service provider to extend the service term which expired last year.

Formerly, Ambadell was a company ultimately wholly owned by Golden Hope Limited (as trustee of the GHUT) which is a substantial shareholder of the Company. Since December 2020, Ambadell has been ultimately wholly owned by Mr. Lim Keong Hui, a son of Tan Sri Lim. Ambadell, as an associate of Tan Sri Lim, is a connected person of the Company.

Accordingly, the transactions contemplated under the Secret Garden Agreements and the Ambadell Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The Annual Caps for the aggregate amounts that may be payable by the Group under the Secret Garden (Payable) Agreement and the Ambadell Services Agreement are required to be aggregated, due to their similar nature and the association of the counterparties to these transactions, for the purpose of the Listing Rules.

A. SECRET GARDEN AGREEMENTS

1. SECRET GARDEN (PAYABLE) AGREEMENT

As the Existing Secret Garden (Payable) Agreement will expire on 31 December 2021, on 10 December 2021, the Company entered into the Secret Garden (Payable) Agreement with ZJK. Below is a summary of the material terms of the agreement:

Date : 10 December 2021

Parties : (a) ZJK (as service provider); and
(b) The Company (as service recipient)

Term : Three years from 1 January 2022 to 31 December 2024, subject to termination by either party giving not less than 90 days' notice to the other party

Scope of services and pricing principles : The Company may engage ZJK to provide, and procure ZJK Group to provide, the following services to the Group from time to time according to the following pricing principles:

Services

- Hotel operation related and supporting services, including without limitation food and beverage provisioning, catering, laundry services, transportation services, housekeeping supporting services, leasing of equipment and facilities
- Ski tickets sales and related services
- Property management, repair and maintenance, provision of public utilities and ancillary related services
- Leasing of rooms, dormitory, convention or function room, activity equipment and facilities and ancillary related services

Pricing Principles

- According to the published or market rates with discounts available to customers for similar services
- According to the published or market rates with discounts available to customers for similar services
- Cost of providing the services plus 5% to 15% and/or the prevailing published or market rates that offered to third parties
- According to the published or market rates with discounts available to customers for similar premises, equipment or services

2. SECRET GARDEN (RECEIVABLE) AGREEMENT

As the Existing Secret Garden (Receivable) Agreement will expire on 31 December 2021, on 10 December 2021, the Company entered into the Secret Garden (Receivable) Agreement with ZJK. Below is a summary of the material terms of the agreement:

Date : 10 December 2021

Parties : (a) The Company (as service provider); and
(b) ZJK (as service recipient)

Term : Three years from 1 January 2022 to 31 December 2024, subject to termination by either party giving not less than 90 days' notice to the other party

Scope of services and pricing principles : ZJK may engage the Company to provide, and procure the Group to provide, the following services to ZJK Group from time to time according to the following pricing principles:

<i>Services</i>	<i>Pricing Principles</i>
<ul style="list-style-type: none">• Travel agency and other related services	<ul style="list-style-type: none">• According to the published or market rates with discounts available to customers for similar services
<ul style="list-style-type: none">• Leasing of hotel rooms, shops, facilities and/or other areas and other ancillary services	<ul style="list-style-type: none">• According to the published or market rates with discounts available to customers for similar premises or services
<ul style="list-style-type: none">• Sales, contact centre, marketing, advertising and promotion related services	<ul style="list-style-type: none">• Cost of providing the services plus 5% to 15%
<ul style="list-style-type: none">• Hotel operation and management, consulting and advisory, administrative, human resources and other supporting services, including without limitation food and beverage provisioning, catering, housekeeping supporting services, leasing of equipment and facilities and ancillary services	<ul style="list-style-type: none">• According to the published or market rates with discounts available to customers for similar services

- Restaurant operation and management, consulting and advisory, administrative, human resources and other supporting services and ancillary services
- According to the published or market rates with discounts available to customers for similar services

The specific terms and conditions (including any fees) relating to the services are set out in the relevant agreements entered or to be entered into in respect thereof as agreed between the relevant members of the Group and ZJK Group pursuant to the Secret Garden Agreements. The amount of fees for different categories of services are determined by reference to the above pricing principles and the relevant prevailing market rates and the fees payable under the Secret Garden (Payable) Agreement are financed by the internal resources of the Group.

3. ANNUAL CAPS

3.1. Historical aggregate amounts paid and received

The aggregate amount (i) paid by the Group pursuant to the Existing Secret Garden (Payable) Agreement; and (ii) received by the Group pursuant to the Existing Secret Garden (Receivable) Agreement, for each of the two financial years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021 were as follows:

	<u>For the financial year ended</u> <u>31 December</u>		<u>For the nine</u> <u>months ended</u>
	<u>2019</u>	<u>2020</u>	<u>30 September</u> <u>2021</u>
Amounts paid by the Group under the Existing Secret Garden (Payable) Agreement	US\$17,000 (approximately HK\$133,000)	US\$85,000 (approximately HK\$663,000)	US\$21,000 (approximately HK\$164,000)
Amounts received by the Group under the Existing Secret Garden (Receivable) Agreement	US\$23,000 (approximately HK\$179,000)	US\$86,000 (approximately HK\$671,000)	US\$24,000 (approximately HK\$187,000)

3.2. Proposed Annual Caps

It is expected that, for each of the three financial years ending 31 December 2022, 2023 and 2024:

- (a) the Annual Caps for the amount payable under the Secret Garden (Payable) Agreement will be US\$300,000 (equivalent to approximately HK\$2,340,000), US\$350,000 (equivalent to approximately HK\$2,730,000) and US\$400,000 (equivalent to approximately HK\$3,120,000) respectively; and
- (b) the Annual Caps for the amount receivable under the Secret Garden (Receivable) Agreement will be US\$400,000 (equivalent to approximately HK\$3,120,000), US\$450,000 (equivalent to approximately HK\$3,510,000) and US\$500,000 (equivalent to approximately HK\$3,900,000) respectively.

3.3. Basis of the Annual Caps

The Annual Caps set out above have been determined by a number of factors, which include:

- (a) previous levels of the services provided under the Existing Secret Garden Agreements;
- (b) estimated increase in guest traffic and ski ticket sales in view of the overall development of Secret Garden, in particular the collaboration with neighbouring business partner;
- (c) estimated increase in property management services after completion of the construction and progressive sales of ski apartment “*Genting Residences*”;
- (d) estimated increase in hotel and restaurant operation and management services for the 2022 Winter Olympic;
- (e) increased levels and volumes of the services anticipated due to estimated increase in business activities of the Group in the coming three years; and
- (f) a reasonable amount to cater for any unexpected additional services that may be required by ZJK Group and the Group.

4. REASONS FOR THE TRANSACTIONS

The Group is currently engaged in the operation of a 32-room boutique hotel, namely, “*Genting World*”, and the developer and owner of a ski apartment property development, namely, “*Genting Residences*”, at Chongli Prefecture, China. As such, the Group may require certain hotel operation and management supporting services from time to time, to lower its operating costs. Having a business partner within the neighbourhood, the Group may obtain reliable supporting services from relevant members of the ZJK Group at minimal transportation costs, with the quality of services and goods being secured. The Group may also further promote and expand its operations in China by strengthening its business cooperation with ZJK.

The Board (including the Independent Non-executive Directors) (with Tan Sri Lim, whom, by virtue of his indirect and/or deemed interest in ZJK, as disclosed in this announcement, is regarded as having a material interest in the transactions contemplated under the Secret Garden Agreements and has abstained from voting on the Secret Garden Agreements and relevant resolutions) considers that the terms of the Secret Garden Agreements were entered into in the ordinary and usual course of business of the Group, and were determined after arm’s length negotiation between the parties with reference to prevailing market rates and practice, are fair and reasonable and were negotiated and arrived at on normal commercial terms and are no less favourable to the Group than terms available from other independent third parties. Accordingly, it is in the interests of the Company and its shareholders as a whole for the Company to enter into the Secret Garden Agreements.

B. AMBADELL SERVICES AGREEMENT

SCA, an indirect wholly-owned subsidiary of the Company, entered into the Ambadell Services Agreement with Ambadell on 28 December 2020 to extend the service term which expired on 31 December 2020. Below is a summary of the material terms of the agreement:

Date	: 28 December 2020
Parties	: (a) Ambadell (as service provider); and (b) SCA (as service recipient)
Term	: Three years commenced from 1 January 2021 to 31 December 2023, subject to termination by either party giving not less than 90 days’ notice to the other party
Scope of services	: Administrative, accounting and other support services

Service Fees : On the pricing basis of cost plus 5% mark-up, the mark-up is to be reviewed and determined from time to time. The service fee is determined with reference to the prevailing market rate for similar services quoted from independent suppliers. In view of reduced workload due to COVID-19, the service fee has been adjusted downward from AUD3,000 to AUD2,000 per month plus GST since April 2020. It is currently charged at AUD2,000 (equivalent to approximately HK\$12,000) per month plus GST.

Annual Cap

The aggregate fees that SCA paid pursuant to the Expired Ambadell Services Agreement and the Ambadell Services Agreement (as the case may be) for each of the two financial years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021 were approximately AUD40,000 (equivalent to approximately HK\$234,000), AUD30,000 (equivalent to approximately HK\$176,000) and AUD20,000 (equivalent to approximately HK\$117,000) respectively.

The Annual Cap for the amount payable under the Ambadell Services Agreement for each of the three financial years ending 31 December 2021, 2022 and 2023 will not exceed AUD100,000 (equivalent to approximately HK\$586,000).

The Annual Cap for the Ambadell Services Agreement has been determined by a number of factors, which include:

- (a) the historical transaction values for the relevant transactions; and
- (b) a reasonable amount to cater for any unexpected additional services that may be required by SCA in future depending on the requirements of SCA as at that time.

The fees payable under the Ambadell Services Agreement is financed by the internal resources of the Group.

Reasons for the transactions

In order to lower the operation costs of its sales office in Sydney, SCA engaged the services of Ambadell for administrative, accounting and other support services.

The Board (including the Independent Non-executive Directors) (with Tan Sri Lim, whom, by virtue of his deemed interest in Ambadell, as disclosed in this announcement, is regarded as having a material interest in the transactions contemplated under the Ambadell Services Agreement and has abstained from voting on the Ambadell Services Agreement and relevant resolutions) considers that the terms of the Ambadell Services Agreement were entered into in the ordinary and usual course of business of the Group. The terms of the Ambadell Services Agreement, including but not limited to the services fee, were determined after arm's length negotiation between the parties, are fair and reasonable and were negotiated and arrived at on normal commercial terms and are no less favourable to the Group than terms available to other independent third parties. Accordingly, it is in the interests of the Company and its shareholders as a whole for the Group to enter into the Ambadell Services Agreement.

GENERAL INFORMATION

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in the business of cruise and cruise-related operations, shipyard operations and leisure, entertainment and hospitality activities.

ZJK is a corporation organized and existing under the laws of the PRC. ZJK is an owner of various properties including without limitation Genting Grand Hotel located at Chongli County, China, and mainly engages in construction and operation of hotel and ancillary facilities and real estate projects.

The principal business of Ambadell is property investment and management services.

LISTING RULES IMPLICATIONS

For the purpose of computation of the applicable percentage ratios under the Listing Rules, the Annual Caps for the transactions contemplated under the Secret Garden (Payable) Agreement and the Ambadell Services Agreement are required to be aggregated for the relevant financial years, due to their similar nature and the association of the counterparties to these transactions.

The then relevant percentage ratios in respect of the Annual Cap of the Ambadell Services Agreement and the transactions contemplated thereunder were under 0.1% and were de minimis transactions and therefore were fully exempted from reporting, annual review, announcement and independent shareholders' approval requirements.

As one or more of the applicable percentage ratios in respect of (i) the Annual Caps of the amounts receivable by the Group under the Secret Garden (Receivable) Agreement; (ii) the Annual Caps of the amounts payable by the Group under the Secret Garden (Payable) Agreement; and (iii) the Annual Caps of the aggregate amounts payable by the Group under the Secret Garden (Payable) Agreement and the Ambadell Services Agreement, exceed 0.1%, but all of them, whether individually or in aggregate, are less than 5% (after taking into account of the annual caps of the aggregate amounts payable by the Group under the Renewed Services Agreements (as defined and disclosed in the announcement of the Company dated 23 December 2019) for the financial year ending 31 December 2022), and accordingly such transactions are subject to the reporting, annual review and announcement requirements but exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In the event that any Annual Cap of the transactions contemplated under the Secret Garden Agreements and the Ambadell Services Agreement is exceeded or any of the Secret Garden Agreements and the Ambadell Services Agreement is further renewed or materially varied in respect of the terms thereof, the Company will comply with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, where applicable.

DEFINITIONS

In this announcement, the following terms shall have the meaning set opposite to them unless the context requires otherwise:

“Ambadell”	Ambadell Pty Limited, a company incorporated in Australia formerly ultimately wholly owned by Golden Hope Limited (as trustee of the GHUT) which is a substantial shareholder of the Company. Since December 2020, Ambadell has been ultimately wholly owned by Mr. Lim Keong Hui, a son of Tan Sri Lim;
“Ambadell Services Agreement”	the services agreement between Ambadell and SCA dated 28 December 2020 whereby certain services are provided by Ambadell to SCA;
“Annual Cap(s)”	the maximum aggregate annual value;
“associate”	has the meaning ascribed to it under the Listing Rules;
“AUD”	Australian dollars, the lawful currency of Australia;
“Board”	the board of Directors;

“China” or “PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China, and Taiwan;
“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;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Datuk CW Lim”	Datuk Lim Chee Wah, a brother of Tan Sri Lim, holds 59.95% indirect equity interests in ZJK and is one of its directors;
“Director(s)”	director(s) of the Company;
“Existing Secret Garden Agreements”	the Existing Secret Garden (Payable) Agreement and the Existing Secret Garden (Receivable) Agreement;
“Existing Secret Garden (Payable) Agreement”	the services agreement entered into between ZJK and the Company dated 7 January 2019 whereby certain services are provided by ZJK Group to the Group;
“Existing Secret Garden (Receivable) Agreement”	the services agreement entered into between ZJK and the Company dated 7 January 2019 whereby certain services are provided by the Group to ZJK Group;
“Expired Ambadell Services Agreement”	the services agreement between Ambadell and SCA dated 21 December 2017 whereby certain services were provided by Ambadell to SCA;
“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;
“Group”	the Company and its subsidiaries;

“GST”	Goods and Services Tax;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SCA”	Star Cruises (Australia) Pty Ltd, a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company;
“Secret Garden Agreements”	the Secret Garden (Payable) Agreement and the Secret Garden (Receivable) Agreement;
“Secret Garden (Payable) Agreement”	the services agreement entered into between ZJK and the Company dated 10 December 2021 whereby certain services are provided by ZJK Group to the Group;
“Secret Garden (Receivable) Agreement”	the services agreement entered into between ZJK and the Company dated 10 December 2021 whereby certain services are provided by the Group to ZJK Group;
“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;
“subsidiary(ies)”	has the meaning as defined in the Ambadell Services Agreement and the Secret Garden Agreements, where applicable;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Tan Sri Lim”	Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer, an Executive Director and a substantial shareholder of the Company;
“US\$”	United States dollars, the lawful currency of the United States of America;

“ZJK”

Secret Garden (Zhangjiakou) Resort Co., Ltd., a company incorporated in the PRC and indirectly owned as to 59.95% by Datuk CW Lim (a brother of Tan Sri Lim) and 40.05% by Golden Hope Limited (as trustee of the GHUT);

“ZJK Group”

ZJK and its subsidiaries; and

“%”

per cent.

By Order of the Board

TAN SRI LIM KOK THAY

Chairman and Chief Executive Officer

Hong Kong, 10 December 2021

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 and AUD1.00 = HK\$5.86 have 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.