

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)

**CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF THE GLOBAL EXPRESS XRS
AIRCRAFT**

The Board announces that on 29 June 2021, Crystal (an indirect wholly-owned subsidiary of the Company, as the sole beneficiary of the Trust), the Seller (solely in its capacity as the trustee of the Trust) and the Purchaser entered into the Agreement relating to the sale and purchase of the Aircraft at the total consideration of US\$4,000,000 (equivalent to approximately HK\$31,200,000).

Tan Sri Lim is an Executive Director, a substantial shareholder and a connected person of the Company. Tan Sri 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. The Purchaser is an indirect wholly-owned subsidiary of GENT. Accordingly, the Purchaser is considered to be an associate of Tan Sri 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 Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 0.1% but all of them are less than 5%, in accordance with Rule 14A.76(2) of the Listing Rules, the Disposal is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 29 June 2021, Crystal (an indirect wholly-owned subsidiary of the Company, as the sole beneficiary of the Trust), the Seller (solely in its capacity as the trustee of the Trust) and the Purchaser entered into the Agreement relating to the sale and purchase of the Aircraft at the total consideration of US\$4,000,000 (equivalent to approximately HK\$31,200,000).

THE AGREEMENT

Date

29 June 2021

Parties

- (i) Crystal (an indirect wholly-owned subsidiary of the Company, as the sole beneficiary of the Trust)
- (ii) The Seller (solely in its capacity as the trustee of the Trust)
- (iii) The Purchaser

Subject matter

The Seller agreed to sell, and the Purchaser agreed to purchase, the Aircraft at Closing. Crystal is the sole beneficiary of the Trust pursuant to which the Seller owns legal title to the Aircraft.

Consideration

The consideration payable by the Purchaser to Crystal for the Aircraft is US\$4,000,000 (equivalent to approximately HK\$31,200,000) (the “**Consideration**”).

The Purchaser has deposited a sum of US\$4,000,000 (equivalent to approximately HK\$31,200,000) (the “**Deposit**”). At Closing, the Deposit shall be applied towards the Consideration.

Basis of Determining the Consideration

The Consideration was determined after arm’s length negotiations between Crystal, the Seller and the Purchaser, taking into account various factors, including the latest market prices of similar aircraft and condition of the Aircraft. It is noted that utilization of the Aircraft has been relatively high compared with similar aircraft available in the market. The Consideration has also been adjusted with the expected engine overhaul and maintenance costs which the Purchaser needs to take over after the delivery of the Aircraft, and the expected savings by the Seller in reducing operating costs.

Inspection

The Purchaser shall have the right to, at its sole cost, conduct an inspection of the Aircraft (the “**Inspection**”) at an agreed inspection facility (the “**Inspection Facility**”) within a specified time. The results of the Inspection shall be provided to the Purchaser and Crystal in the form of a report generated by the Inspection Facility (the “**Inspection Report**”). Upon the delivery of the Inspection Report, the Purchaser shall within a specified time during which it may accept or reject the Aircraft by delivering a letter to Crystal (where the Purchaser accepts the Aircraft, such letter shall be referred to as the “**Acceptance Letter**” and, where the Purchaser rejects the Aircraft, such letter shall be referred to as the “**Rejection Letter**”). In the event the Purchaser fails to deliver the letter within a specified period, the Purchaser shall be deemed to have accepted the Aircraft and the Deposit shall become non-refundable. In the event the Purchaser accepts the Aircraft, the Deposit shall become non-refundable. If the Purchaser rejects the Aircraft, the Deposit shall be refunded immediately to the Purchaser less any costs required to be paid by Purchaser that remain unpaid, and the Agreement shall terminate.

Conditions Precedent

The Purchaser’s obligation to purchase and accept delivery of the Aircraft is conditional upon the satisfaction (or waiver) of the following conditions (the “**Purchaser Closing Conditions**”) at Closing:

- (i) the Seller tendering delivery of the Aircraft to the Purchaser at the agreed delivery location in the following condition:
 - (a) free and clear of all liens, leases, charges or encumbrances other than those created by or through the acts or omissions of the Purchaser or its representatives;
 - (b) with a current US Certificate of Airworthiness and Registration;
 - (c) with no known damage history (i) the repair of which would constitute a "major repair" as such term is defined in Part 43, Appendix A, Paragraph (b) of the U.S. Federal Aviation Regulations and (ii) which would require the issuance of an FAA Form 337 (“**Damage History**”), or with corrosion beyond manufacturer’s specifications;
 - (d) with all due calendar and hourly maintenance tasks complied with through the Closing Date and with all airworthiness directives, with issue dates prior to Closing completed;
 - (e) in an airworthy condition as determined by the Inspection Facility with all systems of the Aircraft operational and functioning in accordance with manufacturing specifications;

- (f) with engine maintenance programs and CAMP maintenance tracking program accounts current, with any transfer fees in connection with the transfer of such programs at the Purchaser's expense;
- (g) with complete and accurate records in English; and
- (ii) all representations and warranties of Crystal and the Seller set out in the Agreement being true and correct in all material respects as if given at Closing.

The Seller's obligation to sell the Aircraft is conditional upon the satisfaction (or waiver) of the following conditions (the "**Seller Closing Conditions**" and, together with the Purchaser Closing Conditions, the "**Closing Conditions**") at or before Closing:

- (i) the Purchaser having tendered to Crystal at the agreed delivery location an executed aircraft delivery and acceptance certificate;
- (ii) all representations and warranties of the Purchaser set out in the Agreement being true and correct in all material respects as if given at Closing; and
- (iii) one half of the documentation agent fees associated with the transactions contemplated by the Agreement has been settled.

Closing

Subject to the satisfaction (or waiver) of the Closing Conditions, Closing shall take place within three business days of delivery of the Acceptance Letter, unless otherwise mutually agreed to by the parties.

Termination

The Agreement may be terminated:

- (i) at any time before Closing by the mutual agreement of the Purchaser and Crystal;
- (ii) by Crystal, if the Purchaser shall (a) fail to satisfy the Purchaser Closing Conditions on or prior to the Closing Date (unless Crystal has waived such condition(s) or the parties have agreed in writing to extend the Closing Date), (b) fail to take delivery of the Aircraft on the Closing Date, or (c) fail to pay any amount when due under the Agreement;
- (iii) by the Purchaser, if Crystal or Seller shall fail to satisfy any of the Seller Conditions on or prior to Closing (unless the Purchaser has waived such condition(s) or the parties have agreed in writing to extend the Closing Date);
- (iv) automatically, if the Aircraft is destroyed or deemed a total loss (including by theft or taking or condemnation by any public or quasi-public authority under the power of eminent domain);

- (v) by the Seller or the Purchaser in the event of damage to the Aircraft prior to Closing (i) if, prior to Closing, the Aircraft is destroyed or suffers a total or constructive total loss; or (ii) in the event that the Aircraft suffers damage that would constitute Damage History (where Crystal shall promptly notify the Purchaser of such Damage History);
- (vi) by either party if there is any failure or delay in the performance of the Seller or Crystal's obligations under the Agreement due to force majeure for more than 120 days (or such later date as may be mutually agreed to by the Purchaser and Crystal); or
- (vii) by the Purchaser, if the Purchaser timely delivers the Rejection Letter indicating that the Purchaser has rejected the Aircraft.

In the event this Agreement is terminated by the Purchaser or Crystal in accordance with (i), (iv), (v) or (vi) above, or by the Purchaser in accordance with (iii) or (vii) above, the Deposit shall be refunded to the Purchaser less any costs required to be paid by Purchaser that remain unpaid.

In the event the Agreement is terminated by Crystal in accordance with (ii) above, Crystal shall be entitled to retain the Deposit.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal is part of the Group's continual exercise in disposing non-core assets, while enabling the Group to enhance liquidity position in light of the uncertainties resulting from the Covid-19 pandemic. The Disposal is also expected to save the cost associated with the maintenance and operation of the Aircraft.

It is intended that the sale proceeds for the Disposal will be used as general working capital for the Group.

Taking into consideration the net proceeds from the Disposal of approximately US\$4,000,000 (equivalent to approximately HK\$31,200,000) (assuming minimal transaction costs) and the carrying value of the Aircraft of US\$10,446,000 (equivalent to approximately HK\$81,500,000) as at 31 May 2021, the Disposal is expected to result in a loss of approximately US\$6,446,000 (equivalent to approximately HK\$50,300,000). The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditor of the Group. However, the Disposal is expected to save the Company's expenditure of approximately US\$3,000,000 for the repairing of the engines of the Aircraft and approximately US\$3,000,000 per annum of Aircraft operating costs.

In view of the above, the Board (including the independent non-executive Directors) (with Tan Sri Lim being regarded as having a material interest in the Disposal and having abstained from voting on the relevant Board resolutions in respect of the Disposal) considers that the terms of the Disposal are fair and reasonable, and that the

Disposal is on normal commercial terms, in the interest of the Company and the Shareholders as a whole, and is entered into in the ordinary and usual course of the Group's business.

INFORMATION ON THE COMPANY AND THE PARTIES

The Company, Crystal and the Seller

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. Crystal is an indirect wholly-owned subsidiary of the Company and is the beneficial owner of the Aircraft. Golden Hope Limited ("**Golden Hope**") as trustee of the GHUT, which directly and indirectly holds 70.915% of the issued share capital of the Company as at the date of the announcement, is a substantial shareholder of the Company. Golden Hope as trustee of the GHUT is principally involved in investment holding.

The Seller is a bank which is headquartered in Utah, the United States of America and is principally engaged in the provision of banking services. The sole shareholder of the Seller is BOU Bancorp, Inc. and is principally a holding company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other than in respect of the arrangement as described under the section headed "*THE AGREEMENT – Subject Matter*" above, the Seller and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

The Purchaser and GENT

GENT is principally an investment holding and management company. It is the parent company of the Purchaser, whose principal business is the development and operation of Resorts World Las Vegas. As at the date of this announcement, the single largest shareholder of GENT, Kien Huat Realty Sdn Berhad, holds 42.764% (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.

The Aircraft

The Aircraft is a Global Express XRS aircraft manufactured in 2007 by Bombardier. It has been primarily used by the Group for operating luxury private charters. As at 31 May 2021, the unaudited net asset value of the Aircraft was approximately US\$10,446,000 (equivalent to approximately HK\$81,500,000) (prepared in accordance with International Financial Reporting Standards). The net loss attributable to the Aircraft for each of the two financial years ended 31 December 2019 and 31 December 2020 (prepared in accordance with International Financial Reporting Standards) are set out below:

	For the year ended 31 December 2019 (unaudited) US\$	For the year ended 31 December 2020 (unaudited) US\$
Net profit / (loss) before taxation	(2,347,000) (equivalent to approximately HK\$(18,300,000))	(3,515,000) (equivalent to approximately HK\$(27,400,000))
Net profit / (loss) after taxation	(2,347,000) (equivalent to approximately HK\$(18,300,000))	(3,515,000) (equivalent to approximately HK\$(27,400,000))

LISTING RULES IMPLICATIONS

Tan Sri Lim is an Executive Director, a substantial shareholder and a connected person of the Company. Tan Sri 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. The Purchaser is an indirect wholly-owned subsidiary of GENT. Accordingly, the Purchaser is considered to be an associate of Tan Sri 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 Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposal exceed 0.1% but all of them are less than 5%, in accordance with Rule 14A.76(2) of the Listing Rules, the Disposal is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

AS CLOSING IS SUBJECT TO THE SATISFACTION (OR WAIVER) OF THE CLOSING CONDITIONS AS SET OUT IN THE AGREEMENT, THE DISPOSAL MAY OR MAY NOT PROCEED. THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE DISPOSAL 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:

“Agreement” a purchase and sale agreement dated 29 June 2021 entered into among Crystal, the Seller and the

	Purchaser in relation to the sale and purchase of the Aircraft
“Aircraft”	a Global Express XRS aircraft manufactured in 2007 by Bombardier
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Closing”	closing of the Disposal pursuant to the terms of the Agreement
“Closing Conditions”	as defined in this announcement
“Closing Date”	the date on which Closing takes place
“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(s)”	has the same meaning ascribed thereto under the Listing Rules
“Crystal”	Crystal Luxury Aircraft Holdings Limited, an Isle of Man company
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Aircraft under the Agreement
“GENT”	Genting Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, and an associate of Tan Sri 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 or which are Tan Sri Lam and certain members of Tan Sri Lim’s family.
“Group”	the Company and its subsidiaries from time to time
“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
“Purchaser”	Resorts World Las Vegas LLC, a Delaware limited liability company
“Seller”	Bank of Utah, a bank which is headquartered in Utah, the United States of America
“Shareholder(s)”	holder(s) of the Shares(s)
“Share(s)”	ordinary share(s) with part value of US\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Tan Sri Lim”	Tan Sri Lim Kok Thay, who is the Chairman and Chief Executive Officer, an Executive Director and a substantial shareholder of the Company
“Trust”	N989SF Trust, the trust of which Crystal is a sole beneficiary and pursuant to which the Seller owns legal title to the Aircraft
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 29 June 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 Hui 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.