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

CONTINUING CONNECTED TRANSACTIONS

CAL, a wholly-owned subsidiary of the Company, and RWS has entered into the Third Supplemental Agreement on 21 December 2015 to extend the term of the Services Agreement for a further one year from 1 January 2016 to 31 December 2016. The transactions contemplated under the Amended Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

It is anticipated that, on an annual basis, some of the applicable percentage ratios in respect of the continuing connected transactions contemplated under the Amended Services Agreement will exceed 0.1%, but each of them will be less than 5%, such transactions will be subject to the reporting, annual review and announcement requirements but exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. BACKGROUND

Reference is made to the Company's announcements dated 21 January 2010, 29 December 2011 and 31 December 2012 in connection with the continuing connected transactions between CAL, a wholly-owned subsidiary of the Company, and RWS relating to the Services Agreement for the appointment of CAL as the provider of the Services by RWS. The Services Agreement will be expiring on 31 December 2015.

CAL and RWS has entered into the Third Supplemental Agreement on 21 December 2015 to extend the term of the Services Agreement for a further one year from 1 January 2016 to 31 December 2016.

2. THIRD SUPPLEMENTAL AGREEMENT TO SERVICES AGREEMENT

Summary of terms

Date	21 December 2015
Parties	CAL (as service provider); and RWS (as customer)
Services	CAL will provide English (and Chinese, if applicable) speaking agents for the Services during the Extended Term as mutually agreed between CAL and RWS from time to time. CAL and RWS has agreed on the following number of English speaking agents for the Services during the Extended Term, any change in the number of agents in different shifts shall be mutually agreed between CAL and RWS: - - 7:00 a.m. to 10:00 a.m.: five (5) to twenty (20) agents - 10:00 a.m. to 8:00 p.m.: twenty (20) to thirty-five (35) agents - 8:00 p.m. to 10:00 p.m.: fifteen (15) to thirty (30) agents - 10:00 p.m. to 2:00 a.m.: ten (10) to twenty-five (25) agents Such agents will provide year round inbound and outbound operation administration call services on a daily basis.
Extended Term	A period of one year from 1 January 2016 and expiring on 31 December 2016, unless terminated pursuant to the terms of the Amended Services Agreement by either party by giving 3 months' prior written notice, or by the non-defaulting party by giving 30 days' written notice if there is a material breach of the terms of the Amended Services Agreement.
Service fee	RWS shall pay CAL the service fee on a per agent seat and per hour basis during the Extended Term, excluding expenses and disbursements reasonably incurred by CAL in the performance of its duties and obligations under the Amended Services Agreement.

The service fee including the charge per agent seat per hour shall be mutually agreed by CAL and RWS from time to time based on actual operating costs plus fixed rate of mark-up, provided that the rate of the service fee must always be at market rate (if a market rate is not readily available, at such rate as may be mutually agreed between the Parties by reference to similar market transactions) and at arm's length, comparable to, or no less favourable than, average industry rate or on terms no more favourable to RWS than terms available to independent third parties.

CAL and RWS has agreed on the following rates of the service fees, any change thereto shall be mutually agreed between CAL and RWS: -

- 7:00 a.m. to 10:00 a.m.: US\$12.00 (approximately HK\$93.60)
- 10:00 a.m. to 8:00 p.m.: US\$12.00 (approximately HK\$93.60)
- 8:00 p.m. to 10:00 p.m.: US\$12.00 (approximately HK\$93.60)
- 10:00 p.m. to 2:00 a.m.: US\$14.00 (approximately HK\$109.20)

The service fee shall be payable in cash by telegraphic transfer or such other mode of payment as agreed between the parties on monthly basis.

**Minimum
Service
Levels**

In the event CAL is unable to reach and adhere to the minimum service levels stipulated in the Amended Services Agreement when performing the Services, RWS reserves the right to charge CAL One United States Dollar (US\$1.00) (approximately HK\$7.8) for each abandoned call or wrong booking in excess of the agreed percentage capped at the service fee payable for that day.

Save for the terms stated above, all provisions of the Services Agreement remain in full force and effect and continue to be binding upon the parties thereto.

Annual Cap

The Board estimates that the Annual Cap, being the maximum aggregate annual service fee for the Services to be provided by CAL to RWS under the Amended Services Agreement for the financial year ending 31 December 2016 will not exceed the amount of US\$5,000,000 (approximately HK\$39,000,000).

The Annual Cap has been determined primarily by reference to: (a) total historical service fees received by CAL pursuant to the Services Agreement; (b) the service fee per agent seat per hour in respect of the Services to be provided by CAL to RWS based on arm's length negotiations between CAL and RWS which is comparable to the prevailing market rate and practice and in accordance with the pricing policies of the Group; (c) the estimated annual demand of the Services from the Singapore IR; (d) the potential growth of call volume for RWS; and (e) the potential increase in the consumer price index of the place(s) where the Services will be conducted during the tenure of the Amended Services Agreement.

The aggregated service fees received by CAL from RWS in respect of the provision of the Services pursuant to the Services Agreement for the financial years ended 31 December 2013 and 2014 and for the six months ended 30 June 2015 were approximately US\$1,089,000 (equivalent to approximately HK\$8,494,200), approximately US\$1,420,000 (equivalent to approximately HK\$11,076,000) and approximately US\$697,000 (equivalent to approximately HK\$5,436,600) respectively.

3. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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 and leisure, entertainment and hospitality activities.

CAL is a wholly-owned subsidiary of the Company. The principal activities of CAL, include but not limited to, the provision of services in connection with the assistance of handling inbound and outbound operational administration calls and to provide any travel and tour packages information and any reservation services for hotel rooms, cruises tickets, airlines tickets and any tickets for companies within the Asia Pacific region.

RWS is the developer, owner and operator of the Singapore IR.

As at the date of this announcement, RWS is a wholly-owned subsidiary of GENS, which in turn is a subsidiary of GENT. As GENT is a substantial shareholder of the Company, RWS, being an associate of GENT, is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Amended Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Amended Services Agreement was arrived at after arm's length negotiations between the parties, and will allow CAL to continue to generate income from providing services to parties outside the Group. Accordingly, the Board (including the Independent Non-executive Directors) with Tan Sri Lim Kok Thay (the Chairman, and Chief Executive Officer, an Executive Director and a substantial shareholder of the Company, the Chairman and Chief Executive and a shareholder of GENT, and the Executive Chairman and a shareholder of GENS) and Mr. Lim Keong Hui (an Executive Director, the Chief Information Officer and a substantial shareholder of the Company, a Non-Independent Executive Director, the Executive Director – Chairman's Office and Chief Information Officer of GENT, and a son of Tan Sri Lim Kok Thay), who, by virtue of their interest in GENT and in view of GENT's interest in GENS and RWS, are regarded as having a material interest in the transactions having abstained from voting on the Amended Services Agreement, is of the view that the terms of the Amended Services Agreement are fair and reasonable, on normal commercial terms with reference to the prevailing market rate and practice and the pricing policies of the Group, and in the interests of the Company and its Shareholders as a whole, and that the Amended Services Agreement is entered into in the ordinary and usual course of business of the Group.

4. LISTING RULES IMPLICATIONS

It is anticipated that, on an annual basis, some of the applicable percentage ratios in respect of the continuing connected transactions contemplated under the Amended Services Agreement will exceed 0.1%, but each of them will be less than 5%, such transactions will be 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 the Annual Cap is exceeded or the Amended Services Agreement is further renewed or materially varied, the Company will comply with the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, where applicable.

5. DEFINITIONS

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

“Amended Services Agreement”	the Services Agreement as amended by the Third Supplemental Agreement
“Annual Cap”	the maximum aggregate annual service fees to be incurred by RWS under the Amended Services Agreement for the financial year ending 31 December 2016
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“CAL”	Crystal Aim Limited, a limited liability company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company
“Company”	Genting Hong Kong Limited, an exempted company continued into Bermuda with limited liability and the Shares of which are primary listed on the Main Board of the Stock Exchange and secondary listed on the Main Board of the Singapore Exchange Securities Trading Limited
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extended Term”	the period from 1 January 2016 to 31 December 2016 pursuant to the Third Supplemental Agreement

“GENS”	Genting Singapore PLC, a company incorporated in the Isle of Man and listed on the Main Board of the Singapore Exchange Securities Trading Limited. GENS is a subsidiary of GENT
“GENT”	Genting Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, which is a substantial shareholder of the Company having approximately 17.11% attributable interest in the issued share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	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 as amended from time to time
“RWS”	Resorts World at Sentosa Pte. Ltd., a company incorporated in Singapore with limited liability, and a wholly-owned subsidiary of GENS
“Services Agreement”	the agreement entered into between RWS and CAL on 21 January 2010 as supplemented by the first supplemental agreement dated 29 December 2011 and the second supplemental agreement dated 31 December 2012 for the appointment of CAL as the provider of the Services by RWS
“Services”	the scope of services of CAL in respect of the Singapore IR, including but not limited to (i) the handling of English (and Chinese, if applicable) speaking inbound and outbound operation administration calls and the provision of any reservations and booking services of tour packages, hotel rooms and any tickets for local and overseas customers of RWS; and (ii) the handling of all amendment and

	cancellation related activities of any reservations and booking services of the Singapore IR
“Share(s)”	ordinary share(s) with par value of US\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Singapore IR”	an award-winning destination resort in Singapore and one of the largest integrated destination resorts in Asia, known as Resorts World Sentosa, offering a casino, Universal Studios Singapore theme park, the Marine Life Park (with one of the world’s largest Oceanariums), MICE (meetings, incentives, conferences and exhibitions) facilities, hotels, food and beverages outlets and specialty retail outlets
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Supplemental Agreement”	the third supplemental agreement to the Services Agreement entered into between RWS and CAL on 21 December 2015
“US\$”	United States dollar(s), the lawful currency of the United States of America

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

Hong Kong, 21 December 2015

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 in this announcement, amounts denominated in US\$ have been converted, for the purpose of illustration only, into HK\$ based on the exchange rate of US\$1 = HK\$7.80

No representation is made that the amounts stated in this announcement have been or could have been or could be converted at the above rate or at any other rates or at all.