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

MAJOR TRANSACTION

CONSTRUCTION OF VESSEL

The Board is pleased to announce that on 7 October 2013, the Buyer (an indirect wholly-owned subsidiary of the Company) and the Company (as guarantor for the obligations of the Buyer under the Shipbuilding Contract) entered into the Shipbuilding Contract with the Builder in relation to the construction and delivery of the Vessel at a contract price of Euro 707.2 million (equivalent to approximately HK\$7,465.2 million) including an allowance in the amount of Euro 57 million (equivalent to approximately HK\$601.7 million) for Buyer's Items.

As one or more of the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Shipbuilding Contract is more than 25% but less than 100%, the entering into of the Shipbuilding Contract constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, amongst other things, further details of the Shipbuilding Contract and the transactions contemplated thereunder together with a notice of SGM to approve the Shipbuilding Contract (provided however no SGM will be convened in the event that written Shareholders' approval in lieu of holding such SGM pursuant to Rule 14.44 of the Listing Rules is obtained by the Company, which the Company will promptly announce) is expected to be despatched to the Shareholders on or before 18 November 2013.

As the Shipbuilding Contract shall only become effective subject to satisfaction of a number of Conditions, the construction of the Vessel may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

SHIPBUILDING CONTRACT

The Board is pleased to announce that on 7 October 2013, the Buyer (an indirect wholly-owned subsidiary of the Company) and the Company (as guarantor for the obligations of the Buyer under the Shipbuilding Contract) entered into the Shipbuilding Contract with the Builder in relation to the construction and delivery of the Vessel at a contract price of Euro 707.2 million (equivalent to approximately HK\$7,465.2 million) including an allowance in the amount of Euro 57 million (equivalent to approximately HK\$601.7 million) for Buyer's Items (the "**Contract Price**").

The Contract Price was determined by reference to prevailing market values for the construction of similar vessels, as ascertained from industry reports and recent comparable transactions in the industry, and based on arm's length negotiation with the Builder.

TERMS OF THE SHIPBUILDING CONTRACT

The terms and conditions of the Shipbuilding Contract, including the Contract Price payable, were determined on an arm's length basis and on normal commercial terms, with both the payment terms and the delivery date meeting with the Buyer's and the Company's requirements.

Effective Date

The Shipbuilding Contract will become effective by no later than midnight (Papenburg, Germany time) on 14 January 2014 (the "**Effective Date**") upon satisfaction of certain conditions (the "**Conditions**"), including, amongst other things:

- (i) confirmation by the Buyer to the Builder by 4 November 2013 (or such other date as may be agreed) that it has in its discretion approved the final version of the specification and plans for the Vessel and the list of approved subcontractors;
- (ii) confirmation by the Buyer and the Company to the Builder that they have arranged (on terms acceptable to each of them) the financing for construction of the Vessel (the "**Ship Financing**"); and
- (iii) confirmation by the Buyer and the Company to the Builder that the Company has complied with the Listing Rules applicable in relation to the Shipbuilding Contract including, but not limited to, obtaining any necessary Shareholders' approval for the Shipbuilding Contract and the Ship Financing.

Should any of the Conditions not be satisfied (or otherwise waived in writing by the relevant party) by the Effective Date, the Shipbuilding Contract will become null and void without any liability whatsoever on the part of any party. In the event that the Shipbuilding Contract is cancelled, further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

Subject to the satisfaction of the conditions specified in the Shipbuilding Contract (including the Conditions), the Vessel is expected to be ready for delivery on 12 October 2016 (the "**Delivery Date**"), subject to any extensions to the delivery date of the Vessel that occur on customary terms provided for under the Shipbuilding Contract.

Contract Price

The Contract Price of Euro 707.2 million (equivalent to approximately HK\$7,465.2 million) includes an allowance in the amount of Euro 57 million (equivalent to approximately HK\$601.7 million) for Buyer's Items. The Contract Price may be reduced in certain circumstances, which shall be determined upon delivery of the Vessel and shall be made by means of set-off and deduction from

Contract Price payments to be made by the Buyer on delivery of the Vessel, including, among others:

- (i) if the Builder fails to remedy any deficiency in the guaranteed trial speed of the Vessel before delivery;
- (ii) if the Builder fails to remedy any deficiency in the guaranteed fuel consumption of the Vessel before delivery;
- (iii) if the Builder fails to remedy any deficiency in the guaranteed deadweight capacity of the Vessel before delivery;
- (iv) if the number of completed and fully habitable cabins of any of the Vessel's passenger grades is lower than the number of cabins specified in the Shipbuilding Contract for any such grade;
- (v) if the requirements in relation to noise levels, sound insulation, impact sound insulation and vibration levels in any cabins or in any other space as specified in the Shipbuilding Contract are not fulfilled; and
- (vi) if the Builder fails to deliver the Vessel on or before the Delivery Date (as the same may be extended in accordance with the provisions of the Shipbuilding Contract).

Payment Terms

The Contract Price is Euro 707.2 million (equivalent to approximately HK\$7,465.2 million) and payable in cash. Such consideration is expected to be funded by a combination of internal resources of the Group and external financing to the extent available and will be payable by the Buyer to the Builder in the following manner:

- (i) 5% of the Contract Price to be paid within three working days after the Effective Date;
- (ii) 5% of the Contract Price to be paid on the date falling 24 calendar months before the Delivery Date;
- (iii) 5% of the Contract Price to be paid on the date falling 18 calendar months before the Delivery Date;
- (iv) 5% of the Contract Price to be paid on the date falling 12 calendar months before the Delivery Date or (if later) the date expressly agreed in writing by the Builder and the Buyer; and
- (v) the balance of the Contract Price to be paid, on delivery of the Vessel and the related delivery documents to, and to acceptance by, the Buyer in accordance with the provisions of the Shipbuilding Contract.

The Euro 57 million (equivalent to approximately HK\$601.7 million) allowance for Buyer's Items, which forms part of the aggregate Contract Price of the Vessel payable by the Buyer, shall be repaid to the Buyer through a series of instalment payments, such payments coinciding with the dates on which the Buyer will pay the Builder the respective Contract Price instalments noted above. Any allowance for Buyer's Items remaining thereafter shall be applied to discharge any further amounts owing to the Builder in respect of any agreed modification costs, with any residual amount then being refunded to the Buyer.

Guarantee

Pursuant to the Shipbuilding Contract, the Company has guaranteed the financial and performance obligations of the Buyer.

REASONS AND BENEFITS FOR ENTERING INTO THE SHIPBUILDING CONTRACT

The Group currently operates under the principal brand name of Star Cruises while the Group's associates, Norwegian Cruise Line Holdings Ltd. and its subsidiaries operate under Norwegian Cruise Line brand. Star Cruises, together with Norwegian Cruise Line, is the third largest cruise operator in the world, owning a combined fleet of 19 ships cruising to over 200 destinations in the world, and offering in aggregate approximately 39,000 lower berths. For the further development of its cruise and cruise related business, the Group reviews its fleet portfolio and deployment options from time to time. Construction of the Vessel is in line with the Group's long-term strategy in expanding its fleet for continuing business development. It is our present intention that the Vessel will be designed to cater for the unique demands of Asian clientele, in particular, Mainland China, Hong Kong and Taiwan. The Board believes that the Vessel, upon delivery and operation, will further strengthen the Group's cruise brand, enable the Group to compete more effectively in the cruise industry, and enable the Group to take advantage of growing demand for cruise business in the Asia Pacific market and the port infrastructure developments in Hong Kong and Asia which enable large cruise ships to dock, as well as improving the operating efficiency and revenue potential of the Group.

The Board considers the terms and conditions of the Shipbuilding Contract (including the Contract Price) to be determined on normal commercial terms and to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP

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 as well as leisure, entertainment and hospitality activities.

INFORMATION ABOUT THE BUILDER

The principal business of the Builder is ship building. The Builder has a track record in ship building for the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Builder and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company as defined in the Listing Rules.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out and calculated under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Shipbuilding Contract is more than 25% but less than 100%, the entering into of the Shipbuilding Contract constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As a major transaction for the Company under Chapter 14 of the Listing Rules, the Shipbuilding Contract is subject to approval by the Shareholders at the SGM (or written Shareholders' approval in lieu thereof pursuant to Rule 14.44 of 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 Shipbuilding Contract which would require it to abstain from voting at the SGM if it were convened to approve the

Shipbuilding Contract (or prevent the Company from being allowed to obtain written Shareholders' approval in lieu of holding such SGM pursuant to Rule 14.44 of the Listing Rules).

A circular containing, amongst other things, further details of the Shipbuilding Contract and the transactions contemplated thereunder together with a notice of the SGM to approve the Shipbuilding Contract (provided however that no SGM will be convened in the event that written Shareholders' approval in lieu of holding such SGM pursuant to Rule 14.44 of the Listing Rules is obtained by the Company, which the Company will promptly announce) is expected to be despatched to the Shareholders on or before 18 November 2013.

The expected despatch date of the circular to Shareholders is more than 15 business days after the publication of this announcement due to, among other things, the detailed content requirement for a major transaction such as this, as well as the Company's preference to seek to continue to advance certain of the Conditions in the interim, such as the Condition relating to the Ship Financing, in order to be able to provide greater specificity around the Shipbuilding Contract prior to the Shareholders' approval being obtained and the circular being despatched.

As the Shipbuilding Contract shall only become effective subject to satisfaction of a number of Conditions, the construction of the Vessel may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in the announcement:

"Board"	the board of Directors
"Builder"	Meyer Werft GMBH, a company organised and existing under the laws of Germany and the shipbuilder constructing the Vessel pursuant to the Shipbuilding Contract
"Buyer"	Chinese Dream Limited, a company incorporated in Bermuda with limited liability, and an indirect wholly-owned subsidiary of the Company
"Buyer's Items"	specified supplies from time to time purchased by or at the direction of the Buyer and other costs from time to time expended by or at the direction of the Buyer in connection with construction of the Vessel (including without limitation all supervision, financing and consultancy costs)
"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 and traded on the GlobalQuote of the Singapore Exchange Securities Trading Limited
"Director(s)"	the director(s) of the Company
"Euro"	the lawful currency of the participating member states of the European Monetary Union pursuant to Council Regulation (EC) 974/98 of 3 May 1998, as amended from time to time
"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
“SGM”	a special general meeting of the Company
“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)
“Shipbuilding Contract”	the shipbuilding contract dated 7 October 2013 between the Builder, the Buyer and the Company (as guarantor for the obligations of the Buyer thereunder) for the construction and delivery of the Vessel
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vessel”	the vessel to be constructed as a luxury passenger cruise vessel (with 1,682 passenger cabins as specified in the Shipbuilding Contract) to be identified with hull no. S.711 at the yard of the Builder which will be delivered to the Buyer pursuant to the Shipbuilding Contract
“%”	per cent.

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

Hong Kong, 7 October 2013

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. Heah Sieu Lay and Mr. Lam Wai Hon, Ambrose.

In this announcement, the HK\$ amounts have been converted from Euro amounts at the rate of Euro 1.00 to HK\$10.556. Such conversions are for the convenience of the readers only. No representation is made that the Euro amounts have been, could have been or could be, converted into HK\$, or vice versa, at such rate or at any other rates on any relevant dates.