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GENTING
HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

MAJOR TRANSACTION

**IN RELATION TO THE ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN CRYSTAL CRUISES, LLC**

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of the entire equity interest in Crystal Cruises by the Purchaser from the Seller pursuant to the terms and conditions of the Purchase Agreement
“Bareboat Charters”	the standard bareboat charters and the relevant agreements, mortgages, deeds, assignments of charter hires and loans entered into or executed in connection with the charter of the Cruise Vessels between BTMU and Crystal Cruises
“Board”	the board of directors of the Company
“BTMU”	BTMU Leasing & Finance, Inc., a company incorporated under the laws of the State of Delaware and an Independent Third Party
“Business Day”	a day, other than a Saturday or Sunday, on which commercial banks in New York, New York and in Los Angeles, California are open for the general transaction of business
“Business Letters of Credit”	certain letters of credit set forth in the disclosure schedules to the Purchase Agreement, issued on behalf of or for the benefit of the Crystal Group Companies
“Company”	Genting Hong Kong Limited, an exempted company continued into Bermuda with limited liability, having its Shares primary listed on the Main Board of the Stock Exchange and secondary listed on the Main Board of the Singapore Exchange Securities Trading Limited
“Competition Law”	the Sherman Act, the Clayton Act, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, the Federal Trade Commission Act and all other laws that are designed to regulate commerce or actions having the purpose or effect of monopolisation or restraint of trade or lessening of competition through merger or acquisition, including the applicable requirements of antitrust or other competition laws of jurisdictions outside the United States of America
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Purchase Agreement
“Completion Date”	15 May 2015
“Conditions”	conditions precedent to Completion under the Purchase Agreement

DEFINITIONS

“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition under the Purchase Agreement
“Consideration Adjustment”	the post-Completion adjustment to the Consideration with reference to the Estimated Adjustment Items pursuant to the terms of the Purchase Agreement
“Cruise Vessels”	the Crystal Symphony and the Crystal Serenity
“Crystal Cruises”	Crystal Cruises, LLC (formerly known as Crystal Cruises, Inc., which has been converted to a limited liability company as contemplated under the Purchase Agreement), a limited liability company organised under the laws of the State of California, the United States of America and has become an indirect wholly-owned subsidiary of the Company upon Completion
“Crystal Group Companies”	Crystal Cruises and its subsidiaries from time to time
“Crystal Serenity”	a cruise vessel with International Maritime Organisation no. 9243667 and call letter C6SY3
“Crystal Symphony”	a cruise vessel with International Maritime Organisation no. 9066667 and call letter C6MY5
“Director(s)”	the director(s) of the Company
“End Date”	31 July 2015
“Enlarged Group”	the Group as enlarged by the Acquisition
“GHUT”	Golden Hope Unit Trust, a private unit trust which is held directly and indirectly by First Names Trust Company (Isle of Man) Limited as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim, Mr. Lim Keong Hui and certain other members of Tan Sri Lim’s family
“Golden Hope”	Golden Hope Limited, a company incorporated in the Isle of Man with limited liability, acting as trustee of GHUT, and a substantial shareholder of the Company holding 4,005,786,944 Shares and 4,005,786,944 Shares (representing approximately 49.84% and 47.22% of the Company’s issued share capital) as at the date of the Written Shareholders’ Approval and the Latest Practicable Date, respectively
“Group”	the Company and its subsidiaries before Completion

DEFINITIONS

“HKFRS”	Hong Kong Financial Reporting Standards
“ICMA”	International Cruise Management Agency AS, a Norwegian company which is a wholly-owned subsidiary of Crystal Cruises
“ICSL”	International Cruise Services Limited, a Bahamian entity which has become a wholly-owned subsidiary of Crystal Cruises
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and its connected person(s)
“Joondalup”	Joondalup Limited, a company incorporated in the Isle of Man with limited liability and wholly-owned by Golden Hope as trustee of GHUT following the transfer of its entire equity interest from Tan Sri Lim to Golden Hope as trustee of GHUT on 30 June 2015; and a Shareholder holding 546,628,908 Shares and 546,628,908 Shares (representing approximately 6.80% and 6.44% of the Company’s issued share capital) as at the date of the Written Shareholders’ Approval and the Latest Practicable Date, respectively
“Latest Practicable Date”	16 July 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“NCLH”	Norwegian Cruise Line Holdings Ltd., a company incorporated under the laws of Bermuda having its NCLH Shares listed on the NASDAQ Global Select Market under the symbol “NCLH”, in which the Company has approximately 17.7% equity interest as at the Latest Practicable Date
“NCLH Shares”	the ordinary shares of NCLH with a par value of US\$0.001 per share
“NYK”	Nippon Yusen Kabushiki Kaisha, a Japanese company and an Independent Third Party

DEFINITIONS

“Parties”	the parties to the Purchase Agreement, being the Seller, the Purchaser, Crystal Cruises and the Company, and a “Party” means any one of them
“Performance Guarantees”	the Performance Guarantees dated 12 July 2013 and 26 September 2013, respectively, of NYK (as guarantor) in favor of BTMU, as supplemented and amended by the Supplements to the Performance Guarantees dated 24 September 2013 and 5 December 2013, respectively
“Purchaser”	Crystal Acquisition Company Limited, a company incorporated in the Isle of Man with limited liability and an indirect wholly-owned subsidiary of the Company
“Purchase Agreement”	the Purchase Agreement dated 3 March 2015 by and among the Purchaser, the Seller, Crystal Cruises and the Company, in relation to the Acquisition
“Restructuring”	certain restructuring of the Crystal Group Companies completed prior to and as a Condition to Completion, including (i) establishment of the SPVs; (ii) conversion of Crystal Cruises from a corporation to a limited liability company under the laws of the State of California; (iii) contribution or transfer of all of the equity interests in ICSL to Crystal Cruises; and (iv) transfers of Crystal Symphony and Crystal Serenity to Symphony SPV and Serenity SPV, respectively
“Seller”	NYK Group Americas Inc., a Delaware corporation and an Independent Third Party
“Serenity SPV”	Serenity Holdings Limited, a special purpose vehicle established under the laws of the Isle of Man as part of the Restructuring and a wholly-owned subsidiary of Crystal Cruises
“SFO”	the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong
“SGM”	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 the Share(s)
“SPVs”	Serenity SPV and Symphony SPV

DEFINITIONS

“Star NCLC”	Star NCLC Holdings Ltd., a limited liability company incorporated under the laws of Bermuda and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Symphony SPV”	Symphony Holdings Limited, a special purpose vehicle established under the laws of the Isle of Man as part of the Restructuring and a wholly-owned subsidiary of Crystal Cruises
“Target Net Working Capital”	negative US\$9,750,000
“Termination Date”	15 May 2015
“Tan Sri Lim”	Tan Sri Lim Kok Thay, the Chairman of the Board, Chief Executive Officer and Executive Director of the Company, and a substantial Shareholder who directly holds 368,643,353 Shares and 368,643,353 Shares (representing approximately 4.59% and 4.35% of the Company’s issued share capital) as at the date of the Written Shareholders’ Approval and the Latest Practicable Date, respectively
“US\$”	United States dollars, the lawful currency of the United States of America
“Written Shareholders’ Approval”	the written shareholders’ approval dated 27 February 2015 in respect of the Purchase Agreement and the Acquisition given by Golden Hope (as trustee of GHUT), Joondalup and Tan Sri Lim
“%”	per cent.

LETTER FROM THE BOARD



GENTING HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)
(Stock Code: 678)

Board of Directors:

Executive Directors:

Tan Sri Lim Kok Thay

(Chairman and Chief Executive Officer)

Mr. Lim Keong Hui

*(Executive Director — Chairman's Office
and Chief Information Officer)*

Independent Non-Executive Directors:

Mr. Alan Howard Smith

(Deputy Chairman)

Mr. Lam Wai Hon, Ambrose

Mr. Justin Tan Wah Joo

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Corporate headquarters and
principal place of business
in Hong Kong:*

Suite 1501

Ocean Centre

5 Canton Road

Tsimshatsui

Kowloon

Hong Kong

24 July 2015

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN CRYSTAL CRUISES, LLC

INTRODUCTION

References are made to the announcements of the Company dated 3 March 2015, 24 March 2015 and 19 June 2015 respectively relating to the entering into of the Purchase Agreement and the Acquisition.

The purpose of this circular is to provide you with further details in relation to the Purchase Agreement, the Acquisition and other information in accordance with the Listing Rules.

LETTER FROM THE BOARD

THE PURCHASE AGREEMENT

Purchase Agreement

On 3 March 2015, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Purchase Agreement with the Seller, Crystal Cruises and the Company, pursuant to which (i) the Purchaser agreed to purchase, and the Seller agreed to sell, the entire equity interest in Crystal Cruises; and (ii) the Company agreed to guarantee the obligations of the Purchaser under the Purchase Agreement.

Terms of the Purchase Agreement

The terms and conditions of the Purchase Agreement, including the Consideration and the mechanism for the Consideration Adjustment, were arrived at after arm's length negotiations between the Purchaser and the Seller and on normal commercial terms, taking into account various factors, including (i) the enterprise value of Crystal Cruises upon Completion on a cash-free and debt-free basis; (ii) the Target Net Working Capital; and (iii) the brand value and growth prospects of Crystal Cruises in the future and its earnings potential.

Assets acquired under the Acquisition

Pursuant to the Purchase Agreement, the Purchaser agreed to purchase, and the Seller agreed to sell, the entire equity interest in Crystal Cruises.

Crystal Cruises wholly-owns ICMA and, as a result of completion of the Restructuring and Completion, wholly-owns (i) ICSL; and (ii) Symphony SPV and Serenity SPV, which are the legal and beneficial owner of the vessels, Crystal Symphony and Crystal Serenity, respectively.

Consideration

The Consideration, payable in cash at Completion, is US\$550,000,000, subject to adjustment by an estimate of a number of financial metrics in respect of the Crystal Group Companies as at Completion Date, including (i) the difference between the net working capital and Target Net Working Capital; (ii) cash and cash equivalents; and (iii) unearned revenue from customer deposits received for future voyages, to be provided by the Seller to the Purchaser no later than five Business Days prior to Completion (the "Estimated Adjustment Items"). The Consideration, payable on Completion, after taking into account the Estimated Adjustment Items, which were provided by the Seller to the Purchaser prior to Completion, amounted to approximately US\$423,948,000. Such adjusted Consideration is further subject to post-Completion adjustment as set out below.

Consideration Adjustment

The Consideration is subject to a dollar-to-dollar upward or downward post-Completion adjustment based on the difference (if any) between (i) the Estimated Adjustment Items; and (ii) the post-Completion calculation of the Estimated Adjustment Items which the Purchaser may deliver to

LETTER FROM THE BOARD

the Seller no later than 75 days after the Completion Date, provided that the Consideration Adjustment amount shall be US\$0 if such difference is less than US\$137,500. The Purchaser has delivered to the Seller a post-Completion calculation of the Estimated Adjustment Items, which is subject to Seller's confirmation.

The final Consideration, after any Consideration Adjustment, payable by the Purchaser shall not be more than US\$600,000,000.

Conditions Precedent

Completion is conditional upon the fulfilment (or, if applicable, waiver) of the following Conditions:

- (i) any approval or waiting period under any Competition Law applicable to the Acquisition having been obtained, expired or terminated (the "Competition Law Condition");
- (ii) no law, order, injunction or other order issued by any court of competent jurisdiction or governmental entity or other legal restraint or prohibition preventing the consummation of the Acquisition being in effect;
- (iii) certain specified representations and warranties in respect of Crystal Cruises, the Seller, the Purchaser or the Company (as the case may be) under the Purchase Agreement remaining true and correct in all respects and the remaining representations and warranties in respect of Crystal Cruises, the Seller, the Purchaser or the Company (as the case may be) under the Purchase Agreement remaining true and correct in all material respects, each as of the date of the Purchase Agreement and the Completion Date;
- (iv) the Seller and Crystal Cruises having performed and complied in all material respects with all covenants required to be performed or complied with by the Seller or Crystal Cruises under the Purchase Agreement on or prior to the Completion Date, including but not limited to (a) termination of the Bareboat Charters and certain bank loans made to BTMU in connection with the Cruise Vessels; and (b) completion of the Restructuring;
- (v) the Seller having delivered to the Purchaser documentary evidence of (a) receipt of third party consents in connection with the Acquisition under certain contracts to which Crystal Cruises is a party as set out in the Purchase Agreement; and (b) termination of a specified trademark licensing agreement;
- (vi) the transfer of certain specified intellectual properties from NYK to Crystal Cruises;
- (vii) the amount of cash and cash equivalents being no less than 20% of the amount of unearned revenue from customer deposits received for future voyages, each in respect of the Crystal Group Companies as at the Completion Date;

LETTER FROM THE BOARD

- (viii) Crystal Cruises having delivered certain documents as set out in the Purchase Agreement in form and substance reasonably acceptable to the Purchaser, including, among others:
 - (a) evidence of completion of the Restructuring and termination by the Crystal Group Companies of the Bareboat Charters, the Performance Guarantees and all related liens; and
 - (b) a copy of the pay-off letters or equivalent documentation from holders of certain indebtedness of the Crystal Group Companies as at Completion Date;
- (ix) Crystal Serenity and Crystal Symphony being safely afloat in substantially the same condition as when inspected on behalf of the Purchaser on (a) 26 January 2015 and 27 January 2015 with respect to Crystal Serenity; and (b) 28 January 2015 and 29 January 2015 with respect to Crystal Symphony;
- (x) there having been no circumstances, changes or events, individually or in the aggregate with other circumstances, changes or events that has had or would reasonably be expected to have a material adverse effect upon the condition (financial or otherwise), business, assets or results of operations of the Crystal Group Companies, taken as a whole, subject to certain exceptions;
- (xi) the Purchaser and the Company having performed and complied in all material respects with all covenants required to be performed or complied with by the Purchaser under the Purchase Agreement on or prior to the Completion Date;
- (xii) the Purchaser having delivered certain documents as set out in the Purchase Agreement in form and substance reasonably acceptable to the Seller, including, among others, an executed counterpart to a trademark license; and
- (xiii) the Seller having received evidence of the termination, extinguishment or replacement of the Business Letters of Credit.

Completion

Completion shall take place on a date to be specified by the Parties, which shall be no later than the third Business Day following satisfaction (or waiver) of the Conditions or at such other time as the Parties may agree in writing. As the Written Shareholders' Approval in respect of the Acquisition was obtained on 27 February 2015 and all conditions set out in the Purchase Agreement have been satisfied, Completion took place on 15 May 2015.

Termination

Prior to the Completion Date, the Purchase Agreement may be terminated:

- (i) by mutual written consent of the Purchaser and the Seller;

LETTER FROM THE BOARD

- (ii) by either the Purchaser or the Seller, if any governmental entity shall have issued an order or ruling or taken any other action permanently enjoining, restraining or prohibiting the consummation of the Acquisition, provided that the Party seeking to terminate the Purchase Agreement shall have used commercially reasonable efforts to remove such order or ruling;
- (iii) by either the Purchaser or the Seller if any of the representations, warranties, covenants or agreement under the Purchase Agreement given by a Party thereto is breached by such Party and is not cured within 30 days of a written notice given by the other Party (the “Non-Defaulting Party”) unless such breach is caused by a breach of the Purchase Agreement by the Non-Defaulting Party; or
- (iv) by either the Purchaser or the Seller, if Completion shall not have occurred on or prior to (a) the Termination Date; or (b) the End Date, if, on the Termination Date, (A) the Competition Law Condition shall not have been satisfied; or (B) the satisfaction, discharge and release without any liability on the part of Crystal Cruises or its affiliate, of the Bareboat Charters, the Performance Guarantees and all related liens is then pending or then in process but in either case, all other Conditions shall have been satisfied or waived, unless the failure to Completion is solely the result of a material breach by such Party of any material provision of the Purchase Agreement.

Guarantee

Pursuant to the terms of the Purchase Agreement, the Company agreed to guarantee the obligations and liabilities of the Purchaser under the Purchase Agreement in the event the Purchaser fails to pay or perform its obligations or liabilities under the Purchase Agreement.

REASONS AND BENEFITS FOR ENTERING INTO THE PURCHASE AGREEMENT

The Board continuously explores different investment opportunities and is of the view that investment in Crystal Cruises through the Acquisition presents an excellent opportunity for the Group to expand its cruise business world-wide. Crystal Cruises is the leading cruise line in the luxury segment and has been rated “World’s Best Cruise Ship” for 21 out of 22 years by Condé Nast Traveller since 1992, 19 years out of 19 years as “World’s Best” Large Ship Cruise Line since 1995 and has been named as the “Best Luxury Cruise Line” by Virtuoso (specialists in the art of travel) in 2014. The Acquisition enables the Group to take advantage of the growing global demand in the luxury brand market and maximise its revenue and profitability potential through the proposed addition of a third new vessel for Crystal Cruises brand.

Based on the above, the Directors are of the view that the terms of the Purchase Agreement, including the Consideration, are fair and reasonable, and, together with the Acquisition, are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES, THE CRYSTAL GROUP COMPANIES AND THE CRUISE VESSELS

The Seller

The Seller is a Delaware corporation which, through its subsidiaries, offers marine transportation and global logistics services. The Seller is a wholly-owned subsidiary of NYK and the North American subsidiary of NYK Line, one of the world's largest ocean shipping, logistics, air cargo and transportation companies.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Seller and its ultimate beneficial owner(s) is an Independent Third Party.

The Crystal Group Companies and the Cruise Vessels

Crystal Cruises

Crystal Cruises was incorporated under the laws of the State of California. Pursuant to the Restructuring, Crystal Cruises has been converted from a corporation into a limited liability company organised under the laws of the State of California with, as at the Latest Practicable Date, an authorised capital stock of 3,000,000 shares of common stock, 4,071.8824 shares of which are issued and outstanding. Crystal Cruises is a global luxury cruise line operator and operates the Cruise Vessels under the Bareboat Charters. As a result of completion of the Restructuring and Completion, Crystal Cruises indirectly owns the Cruise Vessels, and the Bareboat Charters have been terminated.

As a result of Completion, Crystal Cruises has become an indirect wholly-owned subsidiary of the Company. Accordingly, the financial results of the Crystal Group Companies are to be consolidated into the consolidated financial statements of the Enlarged Group.

ICMA and ICSL

ICMA was established in Norway and is a wholly-owned subsidiary of Crystal Cruises.

ICSL was established in the Bahamas and, before Completion, a wholly-owned subsidiary of NYK. As part of the Restructuring, NYK transferred all of its equity interests in ICSL to Crystal Cruises and, as a result of completion of the Restructuring and Completion, ICSL has become a wholly-owned subsidiary of Crystal Cruises. Each of ICMA and ICSL does not have any business operations other than as a provider of crew personnel services for the Cruise Vessels operated by Crystal Cruises. Under certain manning agreements, ICSL recruits shipboard employees for Crystal Cruises and is the employer of record for Crystal Cruises' shipboard employees. Under certain management agreements, ICMA provides crew management services and assists ICSL in recruiting shipboard employees for Crystal Cruises.

SPVs and Cruise Vessels

Before Completion, the sole legal owner of the Cruise Vessels was BTMU and Crystal Cruises operated the Cruise Vessels under the Bareboat Charters. As part of the Restructuring, Crystal Symphony and Crystal Serenity were transferred to Symphony SPV and Serenity SPV, respectively. As a result of completion of the Restructuring and Completion, Crystal Cruises indirectly owns the Cruise Vessels, and the Bareboat Charters were terminated.

LETTER FROM THE BOARD

Each of Symphony SPV and Serenity SPV established in the Isle of Man is an investment-holding company with no business operation other than as a legal and beneficial owner of Crystal Symphony and Crystal Serenity, respectively.

The Cruise Vessels

Crystal Symphony is a 51,044-tonne cruise vessel which was completed and delivered into service in 1995 with a capacity of 922 passengers, and Crystal Serenity is a 68,870-tonne cruise vessel which was completed and delivered into service in 2003 with a capacity of 1,070 passengers. Based on a valuation by a valuer (an Independent Third Party) engaged by the Company applying the replacement cost method, the value of Crystal Symphony and Crystal Serenity as at 31 March 2015 were US\$195,000,000 and US\$310,000,000, respectively.

FINANCIAL EFFECTS OF THE ACQUISITION ON EARNINGS, ASSETS AND LIABILITIES OF THE ENLARGED GROUP

As at 31 December 2014, the published consolidated total assets and total liabilities of the Group amounted to approximately US\$3,871.1 million and US\$630.6 million, respectively. As set out in Appendix III to this circular, if Completion had taken place on 31 December 2014, (i) the unaudited pro forma consolidated total assets of the Enlarged Group would have increased to approximately US\$4,397.3 million; and (ii) the unaudited pro forma consolidated total liabilities of the Enlarged Group would have increased to approximately US\$1,163.0 million. As a result of Completion, the financial results of Crystal Cruises contributed positively to the financial results of the Enlarged Group in view of Crystal Cruises' growth for the three financial years ended 31 March 2013, 2014 and 2015. Further details of the financial effects of the Acquisition on the assets and liabilities of the Enlarged Group together with the basis in preparing the unaudited pro forma financial information are set out in Appendix III to this circular.

FINANCIAL INFORMATION OF THE CRYSTAL GROUP COMPANIES

The following is the audited combined financial information of Crystal Group Companies for each of the two financial years ended 31 March 2014 and 31 March 2015 prepared in accordance with HKFRS:

	For the year ended 31 March 2014	For the year ended 31 March 2015
	<i>US\$' 000,000</i>	<i>US\$' 000,000</i>
Turnover	305.1	328.1
EBITDA before charterage	41.2	65.2
Net income before tax	7.7	35.8
Net income after tax	7.3	35.8
Net assets value	0.8	26.3

Note:

The turnover and net income of Crystal Group Companies include those derived by Crystal Cruises from its operation of the Cruise Vessels under the Bareboat Charters.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS OF ENTERING INTO THE PURCHASE AGREEMENT

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but are all less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

Since (i) no Shareholder is required to abstain from voting on the resolution at a SGM if it were convened to approve the Purchase Agreement and the Acquisition; and (ii) in lieu of holding a SGM, the Company, on 27 February 2015, received the Written Shareholders' Approval in respect of the Purchase Agreement and the Acquisition from Golden Hope (as trustee of GHUT), Joondalup and Tan Sri Lim (being a closely allied group of Shareholders that together held an aggregate of 4,921,059,205 Shares and 4,921,059,205 Shares, representing approximately 61.23% and 58.01% of the issued capital of the Company as at the date of the Written Shareholders' Approval and the Latest Practicable Date, respectively), no SGM is required to be convened for the approval of Purchase Agreement and the Acquisition pursuant to Rule 14.44 of the Listing Rules. The respective shareholding interests of each of Golden Hope (as trustee of GHUT), Joondalup and Tan Sri Lim in the Company as at the date of the Written Shareholders' Approval and the Latest Practicable Date, respectively, are set out in the definitions of each of these parties in the section headed "Definitions" of this Circular.

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. The Purchaser is an investment holding company and an indirect wholly-owned subsidiary of the Company.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Genting Hong Kong Limited
Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2012, 2013 AND 2014

Financial information of the Group for each of the three years ended 31 December 2012, 2013 and 2014 is disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.gentinghk.com>) respectively:

annual report of the Company for the year ended 31 December 2012 (pages 81 to 153)
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0425/LTN20130425779.pdf>)

annual report of the Company for the year ended 31 December 2013 (pages 97 to 189)
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0425/LTN201404251229.pdf>)

annual report of the Company for the year ended 31 December 2014 (pages 93 to 173)
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0427/LTN201504271089.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had aggregate outstanding borrowings of approximately US\$732.0 million which comprised (i) the outstanding balance of approximately US\$656.6 million under three secured term loans and revolving credit facilities; (ii) the unsecured and unguaranteed convertible bonds of approximately US\$67.5 million; and (iii) secured and unguaranteed entrustment loans of approximately US\$7.9 million. The secured term loan and revolving credit facilities are guaranteed by companies within the Enlarged Group and are secured by legal charges over assets with a carrying amount of approximately US\$1.6 billion as at 31 May 2015. The US\$7.9 million entrustment loans are secured by cash deposits.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, we did not have any loan capital or debt securities issued or to be issued, outstanding bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits, finance leases or hire purchase commitments or guarantees or material contingent liabilities as of 31 May 2015.

3. WORKING CAPITAL

Taking into account the financial resources available to the Enlarged Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that in the absence of unforeseeable circumstances, the Enlarged Group has available sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP**Financial and Trading Prospects of the Enlarged Group**

The Enlarged Group continues to proactively shape the future of the cruise industry within the region by upgrading its fleet, enhancing the experience of cruisers through its new and diverse itineraries and developing its product offerings and services.

In 2015, m.v. SuperStar Virgo and m.v. SuperStar Gemini will continue their homeport deployment in Hong Kong and Singapore, respectively. m.v. SuperStar Gemini will be offering various itineraries cruising to destinations including Penang, Langkawi, Port Klang and Malacca while m.v. SuperStar Virgo will be offering destination cruise to Sanya, Vietnam and Taiwan from April until mid-November, after which she will commence a 48-day itinerary across the Southern Hemisphere from Hong Kong, visiting over 20 ports of call including Bangkok, Melbourne, Ho Chi Minh City and Sydney. m.v. SuperStar Aquarius commenced its seasonal deployment in Keelung, Taiwan.

The Enlarged Group has two new cruise ships on order with Meyer Werft GmbH for delivery scheduled in the fourth quarter of 2016 and 2017, respectively. The production of m.v. Genting World, the first of its two new cruise ships in pipeline, officially commenced following the steel cutting ceremony on 9 February 2015 at Papenburg, Germany. Upon completion, each of the sister ships is sized at 151,000 gross tons with more than 3,300 lower berths. The 21-deck new cruise ship will offer a wide array of Asian and international food & beverage outlets as well as world-class recreation, health & fitness and conference facilities catering to the unique demand of the Asian clientele. The new cruise ships are expected to reinforce Star Cruises' leading position in the Asia-Pacific.

The acquisition of Crystal Cruises has added two award-winning luxury ships — Crystal Serenity and Crystal Symphony — each with a world-wide itinerary throughout a year, to our growing fleet, and has expanded the Company's presence in the cruise industry. Both Cruise Vessels do not have any homeport as they cruise around the globe covering North America, Europe, Asia, South America, Africa and Australia.

The Enlarged Group will keep fine-tuning the development plan and marketing strategies to meet its business needs and changes in the market conditions. In addition, the Enlarged Group will continue to seek new investment opportunities to improve its profitability and maximise returns to the Shareholders.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Company have been made up.

The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



羅兵咸永道

24 July 2015

The Directors
Genting Hong Kong Limited

Dear Sirs,

We report on the financial information of cruise business carried by Crystal Cruises, LLC (formerly known as Crystal Cruises, Inc.) (the “Crystal Cruises”) and its subsidiaries (together, the “Crystal Group Companies”), which comprises the combined statements of financial position of the Crystal Group Companies as at 31 March 2013, 2014 and 2015, and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Crystal Group Companies for each of the years ended 31 March 2013, 2014 and 2015 (the “Relevant Periods”) and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of Genting Hong Kong Limited (the “Company”) and is set out in Sections I and II below for inclusion in Appendix II to the circular of the Company dated 24 July 2015 (the “Circular”) in connection with the acquisition of the Crystal Group Companies by Crystal Acquisition Company Limited, an indirect wholly-owned subsidiary of the Company.

Pursuant to a group reorganisation as described in Note 1(b) of Section II headed “Reorganisation” below, which was completed on 1 April 2015, Crystal Cruises has become the holding company of the subsidiaries now comprising the Crystal Group Companies (the “Reorganisation”).

As at the date of this report, Crystal Cruises has direct and indirect interests in the subsidiaries as set out in Note 21 of Section II below.

For the purpose of preparing the financial information, all companies comprising the Crystal Group Companies have adopted 31 March as their financial year end date. No audited financial statements have been prepared by Crystal Cruises other than for the Reorganisation. The statutory audited financial statements of the other companies now comprising the Crystal Group Companies for the Relevant Periods for which there are statutory audit requirements have been prepared in accordance with the relevant accounting principles generally accepted in their place of incorporation.

The managers of Crystal Cruises are responsible for the preparation of the combined financial statements of the Crystal Group Companies for the Relevant Periods that give a true and fair view in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) (the “Underlying Financial Statements”), and for such internal control as the managers determine is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing (the “HKSAs”) issued by the HKICPA pursuant to separate terms of engagement.

The financial information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon, and on the basis set out in Note 2 of Section II below.

Directors’ Responsibility for the Financial Information

The directors of the Company are responsible for the preparation of the financial information that gives a true and fair view in accordance with HKFRSs and accounting policies adopted by the Company and its subsidiaries (together, the “Group”) as set out in the annual report of the Group for the year ended 31 December 2014.

Reporting Accountant’s Responsibility

Our responsibility is to express an opinion on the financial information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 “Prospectuses and the Reporting Accountant” issued by the HKICPA.

Opinion

In our opinion, the financial information gives, for the purpose of this report, a true and fair view of the combined state of affairs of the Crystal Group Companies as at 31 March 2013, 2014 and 2015 and of the Crystal Group Companies’ combined results and cash flows for the Relevant Periods then ended.

APPENDIX II**FINANCIAL INFORMATION OF CRYSTAL CRUISES****(I) FINANCIAL INFORMATION OF CRYSTAL CRUISES**

The following is the financial information of Crystal Group Companies prepared by the directors of the Company as at 31 March 2013, 2014 and 2015 and for each of the years ended 31 March 2013, 2014 and 2015 (the “Financial Information”).

(A) COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 March		
		2013	2014	2015
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Turnover	5	264,717	305,123	328,071
Operating expenses				
Operating expenses excluding depreciation and amortisation		(230,786)	(219,154)	(212,836)
Depreciation and amortisation	6	<u>(7,730)</u>	<u>(8,722)</u>	<u>(8,786)</u>
		(238,516)	(227,876)	(221,622)
Selling, general and administrative expenses				
Selling, general and administrative expenses excluding depreciation and amortisation		(71,322)	(68,847)	(69,890)
Depreciation and amortisation	6	<u>(513)</u>	<u>(825)</u>	<u>(1,159)</u>
		<u>(71,835)</u>	<u>(69,672)</u>	<u>(71,049)</u>
		<u>(310,351)</u>	<u>(297,548)</u>	<u>(292,671)</u>
		(45,634)	7,575	35,400
Other gains, net		—	—	1
Finance income		19	158	398
Finance costs		<u>(322)</u>	<u>(79)</u>	<u>(7)</u>
		<u>(303)</u>	<u>79</u>	<u>392</u>
(Loss)/profit before taxation		(45,937)	7,654	35,792
Taxation	7	<u>(101)</u>	<u>(327)</u>	<u>52</u>
(Loss)/profit for the year		<u>(46,038)</u>	<u>7,327</u>	<u>35,844</u>
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss				
Change in net plan asset/liability		(1,658)	2,826	(2,897)
Foreign currency translation differences		<u>—</u>	<u>16</u>	<u>(218)</u>
Other comprehensive (loss)/income for the year		(1,658)	2,842	(3,115)
Total comprehensive (loss)/income for the year		<u>(47,696)</u>	<u>10,169</u>	<u>32,729</u>

APPENDIX II **FINANCIAL INFORMATION OF CRYSTAL CRUISES**

(B) COMBINED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	As at 31 March		
		2013	2014	2015
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Assets				
Non-current assets				
Property, plant and equipment	9	8,308	12,687	16,215
Deferred tax assets	7	210	75	21
Other assets and receivables	12	<u>1,068</u>	<u>989</u>	<u>633</u>
		<u>9,586</u>	<u>13,751</u>	<u>16,869</u>
Current assets				
Consumable inventories	10	30,009	31,555	30,215
Trade receivables	11	2,983	5,311	4,671
Prepaid expenses and other receivables	12	9,433	10,738	8,885
Amounts due from related companies	13	81	159,525	197,523
Cash and cash equivalents	14	<u>13,273</u>	<u>10,200</u>	<u>11,106</u>
		<u>55,779</u>	<u>217,329</u>	<u>252,400</u>
Total assets		<u><u>65,365</u></u>	<u><u>231,080</u></u>	<u><u>269,269</u></u>
Equity				
Capital and reserves attributable to the equity owners of Crystal Group Companies				
Combined capital	15	436	46	46
Reserves:				
Additional paid-in capital		60,319	260,319	260,319
Foreign currency translation adjustments		(55)	(53)	(218)
Accumulated losses		(263,543)	(256,324)	(227,785)
Other reserves		<u>(5,991)</u>	<u>(3,165)</u>	<u>(6,062)</u>
Total equity		<u>(208,834)</u>	<u>823</u>	<u>26,300</u>

APPENDIX II**FINANCIAL INFORMATION OF CRYSTAL CRUISES**

	<i>Note</i>	As at 31 March		
		2013	2014	2015
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Liabilities				
Non-current liabilities				
Other long term liabilities	17	8,103	4,547	5,363
Deferred tax liabilities	7	<u>253</u>	<u>200</u>	<u>18</u>
		<u>8,356</u>	<u>4,747</u>	<u>5,381</u>
Current liabilities				
Provisions, accruals and other liabilities	17	29,993	34,665	20,631
Trade creditors	16	19,711	18,405	26,467
Amounts due to related companies	13	77,802	—	—
Current income tax liabilities		103	102	47
Advance ticket sales		<u>138,234</u>	<u>172,338</u>	<u>190,443</u>
		<u>265,843</u>	<u>225,510</u>	<u>237,588</u>
Total liabilities		<u>274,199</u>	<u>230,257</u>	<u>242,969</u>
Total equity and liabilities		<u>65,365</u>	<u>231,080</u>	<u>269,269</u>
Net current (liabilities)/assets		<u>(210,064)</u>	<u>(8,181)</u>	<u>14,812</u>
Total assets less current liabilities		<u>(200,478)</u>	<u>5,570</u>	<u>31,681</u>

(C) COMBINED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of Crystal Cruises					
	Combined	Additional	Foreign	Accumulated	Other	Total
	capital	paid-in	currency	losses	reserves	equity
	US\$'000	US\$'000	translation	US\$'000	US\$'000	US\$'000
			adjustments			
			US\$'000			
Balance as at 1 April 2012	436	60,319	(77)	(217,037)	(4,333)	(160,692)
Comprehensive (loss)/income:						
Loss for the year	—	—	—	(46,038)	—	(46,038)
Other comprehensive loss for the year	—	—	—	—	(1,658)	(1,658)
Foreign currency translation differences	—	—	22	(22)	—	—
Total comprehensive income/(loss)	—	—	22	(46,060)	(1,658)	(47,696)
Transaction with owners:						
Dividends paid	—	—	—	(446)	—	(446)
Balance as at 31 March 2013	<u>436</u>	<u>60,319</u>	<u>(55)</u>	<u>(263,543)</u>	<u>(5,991)</u>	<u>(208,834)</u>
Balance as at 1 April 2013	436	60,319	(55)	(263,543)	(5,991)	(208,834)
Comprehensive income:						
Profit for the year	—	—	—	7,327	—	7,327
Other comprehensive income for the year	—	—	—	—	2,826	2,826
Foreign currency translation differences	—	—	2	14	—	16
Total comprehensive income	—	—	2	7,341	2,826	10,169
Transaction with owners:						
Dividends paid	—	—	—	(122)	—	(122)
Contribution from NYK Group Americas, Inc.	—	200,000	—	—	—	200,000
Acquisition of subsidiary	(390)	—	—	—	—	(390)
Balance as at 31 March 2014	<u>46</u>	<u>260,319</u>	<u>(53)</u>	<u>(256,324)</u>	<u>(3,165)</u>	<u>823</u>
Balance as at 1 April 2014	46	260,319	(53)	(256,324)	(3,165)	823
Comprehensive income/(loss):						
Profit for the year	—	—	—	35,844	—	35,844
Other comprehensive loss for the year	—	—	—	—	(2,897)	(2,897)
Foreign currency translation differences	—	—	(165)	(53)	—	(218)
Total comprehensive (loss)/income	—	—	(165)	35,791	(2,897)	32,729
Transaction with owners:						
Dividends paid	—	—	—	(7,252)	—	(7,252)
Balance as at 31 March 2015	<u>46</u>	<u>260,319</u>	<u>(218)</u>	<u>(227,785)</u>	<u>(6,062)</u>	<u>26,300</u>

APPENDIX II **FINANCIAL INFORMATION OF CRYSTAL CRUISES**

(D) COMBINED STATEMENTS OF CASH FLOWS

	<i>Note</i>	Year ended 31 March		
		2013	2014	2015
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
OPERATION ACTIVITIES				
Cash (used in)/generated from operations	(a)	(19,390)	44,399	59,966
Interest paid		(322)	(79)	(7)
Interest received		19	158	398
Income tax paid		12	(247)	(130)
Net cash (outflow)/inflow from operating activities		<u>(19,681)</u>	<u>44,231</u>	<u>60,227</u>
INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(9,277)	(13,926)	(13,474)
Advances on loan to affiliate		—	(130,020)	—
Collections of loan to affiliate		—	—	130,020
Net decrease/(increase) in advances on cash pooling account		34,442	(102,845)	(168,615)
Acquisition of ICMA, net of cash acquired		—	(390)	—
Net cash inflow/(outflow) from investing activities		<u>25,165</u>	<u>(247,181)</u>	<u>(52,069)</u>
FINANCING ACTIVITIES				
Contribution from NYK Group Americas, Inc.		—	200,000	—
Dividends paid		(446)	(123)	(7,252)
Net cash (outflow)/inflow from financing activities		<u>(446)</u>	<u>199,877</u>	<u>(7,252)</u>
Net increase/(decrease) in cash and cash equivalents		5,038	(3,073)	906
Cash and cash equivalents at beginning of the year		<u>8,235</u>	<u>13,273</u>	<u>10,200</u>
Cash and cash equivalents at end of the year		<u><u>13,273</u></u>	<u><u>10,200</u></u>	<u><u>11,106</u></u>

APPENDIX II**FINANCIAL INFORMATION OF CRYSTAL CRUISES****(a) Cash (used in)/generated from operations**

	Year ended 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Cash flows from operating activities:			
(Loss)/Profit before taxation	(45,937)	7,654	35,792
Adjustment for:			
Depreciation and amortisation	8,243	9,547	9,946
Finance costs	322	79	7
Finance income	(19)	(158)	(398)
	(37,391)	17,122	45,347
Decrease/(Increase) in:			
Trade receivables	468	(2,328)	640
Consumable inventories	(94)	(1,546)	1,340
Prepaid expenses and other receivables	5,321	4,177	(3,629)
Other assets	115	79	356
Amounts due from related companies	(67)	(5,983)	5,860
Increase/(Decrease) in:			
Trade creditors	(11,924)	(1,307)	8,062
Provision, accruals and other liabilities	4,052	4,672	(14,343)
Amounts due to related companies	(8,343)	(3,862)	—
Advance ticket sales	28,886	34,104	18,104
Other long term liabilities	(413)	(729)	(1,771)
Cash (used in)/generated from operations	<u>(19,390)</u>	<u>44,399</u>	<u>59,966</u>

(II) NOTES TO THE FINANCIAL INFORMATION**1 General information and reorganisation****(a) General information**

Crystal Cruises, LLC (formerly known as Crystal Cruises, Inc.) (the “Crystal Cruises”), a California corporation, was incorporated in May 1988 and pursuant to the Purchase Agreement was subsequently converted to a limited liability company under the laws of the State of California, USA in April 2015. Prior to Completion, Crystal Cruises was a wholly-owned subsidiary of NYK Group Americas, Inc. (the “NGA” or the “Parent”) which was a subsidiary of Nippon Yusen Kabushiki Kaisha (“NYK” or the “Ultimate Parent Company”), a Japanese company. Crystal Cruises, International Cruise Management Agency AS (“ICMA”) and International Cruise Services Limited (“ICSL”) are collectively referred to as “Crystal Group Companies”.

The cruise business carried out by Crystal Group Companies currently operates two luxury cruise ships — Crystal Symphony and Crystal Serenity (the “Cruise Vessels”), commenced operations in May 1995 and July 2003, respectively, which are chartered under operating lease agreements and ICMA and ICSL provide supporting service such as crew personal services for cruise vessels throughout the Relevant Periods (which are collectively referred to as the “cruise business”).

(b) Reorganisation

In October 2013, Crystal Cruises paid US\$390,000 to acquire ICMA, which was previously a wholly-owned subsidiary of NYK. The acquisition of ICMA by Crystal Cruises from NYK was accounted for as a transfer of ownership interests between entities under common control.

For the purpose of the Acquisition by the Company, Crystal Cruises acquired ICSL, which was previously a wholly-owned subsidiary of NYK, on 1 April 2015 (the “Reorganisation”).

(c) Basis of presentation

Immediately prior to and after the Reorganisation, but before the Completion, the cruise business carried out by Crystal Group Companies is under the common control and management by NYK.

As the Crystal Group Companies operating the cruise business have been under common control of NYK during the Relevant Periods, accordingly for the purposes of this report, the Financial Information has been prepared and presented on a basis in accordance with the principles of the Auditing Guideline 3.340 “Prospectus and the Reporting Accountant” issued by the HKICPA. The combined statements of financial position, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of Crystal Group Companies for the Relevant Periods have been prepared using the financial statements of the companies comprising Crystal Group Companies as if the current group structure had been in

existence throughout the Relevant Periods. The assets, liabilities and results of the Crystal Group Companies have been combined using their existing book values. The transfer of Crystal Symphony and Crystal Serenity to Crystal Group Companies pursuant the Restructuring has not resulted in any changes in the substance of the cruise business or the control over cruise business by NYK.

2 Principal accounting policies and basis of preparation

(a) Basis of preparation

The combined statements of financial position, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Crystal Group Companies for the three financial years ended 31 March 2013, 2014 and 2015 respectively have been prepared as if the current group structure had been in existence throughout the Relevant Periods.

The combined financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Inter-company transactions, balances and unrealised gains / losses on transactions between the combining entities or businesses are eliminated.

The combined financial statements are prepared in accordance with the applicable requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) for the Relevant Periods.

Standards, amendments and interpretations to existing standard effective in 2014

New standards and amendments

The following new standards and amendments relevant to the Crystal Group Companies’ operations have been issued and are effective for the financial year beginning on or after 1 April 2015 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKASs and HKFRSs	Annual improvements 2010-2012 cycle	1 July 2014
HKASs and HKFRSs	Annual improvements 2011-2013 cycle	1 July 2014
HKASs and HKFRSs	Annual improvements 2012-2014 cycle	1 January 2016
HKAS 1 (amendment)	Disclosure initiative	1 January 2016

		Effective for accounting periods beginning on or after
HKAS 16 and HKAS 38 (amendment)	Methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (amendment)	Property, plant and equipment and agriculture regarding bearer plants	1 January 2016
HKAS 19 (2011) (amendment)	Defined benefit plans - Employee contribution	1 July 2014
HKAS 27 (amendment)	Separate financial statements - Equity method	1 January 2016
HKFRS 10 and HKAS 28 (amendment)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (amendment)	Investment entities - Applying the consolidation exemption	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 11 (amendment)	Accounting for acquisitions of interests in joint operation	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017

Management is in the process of making an assessment of the impact of these new standards and amendments and is not yet in a position to state whether they would have a significant impact on the Crystal Group Companies' results of operations and financial position.

New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from Crystal Cruises's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. Crystal Group Companies is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the combined financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the combined financial statements will be affected.

(b) Consolidation***Subsidiaries***

Subsidiaries are all entities (including special purpose entities) over which the Crystal Group Companies has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Crystal Group Companies controls another entity. Subsidiaries are fully combined from the date on which control is transferred to the Crystal Group Companies. They are de-combined from the date that control ceases.

Inter-company transactions, balances and unrecognised gains on transactions within the Crystal Group Companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Crystal Group Companies.

(c) Translation of foreign currencies

Items included in the financial statements of each of the Crystal Group Companies' entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The combined financial statements are presented in US dollars, which is Crystal Cruises' functional currency and presentation currency of the Crystal Group Companies.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the combined statement of comprehensive income.

The results and financial position of the Crystal Group Companies' entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated using the closing rate at the date of that financial position;
- (ii) income and expenses for each statement of comprehensive income are translated using the average exchange rates; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

(d) Revenue and expense recognition

Revenues are recognised when the relevant services have been rendered. Cruise revenue, and all associated direct costs of a voyage, are generally recognised on a pro rata basis over the period. Where services are provided on credit, revenue is recognised when it is probable that future economic benefits will flow to the Crystal Group Companies, ongoing credit evaluations are performed and potential credit losses are expensed at the time accounts receivable are estimated to be uncollectible.

Deposits received from customers for future voyages are recorded as advance ticket sales until such passenger revenue is earned. Interest income and expense are recognised on a time proportion basis using the effective interest method.

(e) Drydocking costs

Drydocking costs represent major inspection and overhaul costs and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally every two to three years. The Crystal Group Companies has included these drydocking costs as a separate component of the ship costs in accordance with HKAS 16 'Property, Plant and Equipment'.

(f) Advertising costs

The Crystal Group Companies' advertising costs are generally expensed as incurred.

(g) Start up expenses

Start up expenses, which primarily comprise expenses of deploying a ship from the dockyard to its port of operations and repositioning a ship to develop a new market, including crew payroll and ship expenses, are expensed as incurred and included in operating expenses. Marketing expenses incurred are included in selling, general and administrative expenses.

(h) Current and deferred income tax

The tax expense comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of combined statement of financial position in the countries where Crystal Group Companies operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the

transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of combined statements of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Crystal Cruises and it is probable that the temporary difference will reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less and exclude restricted cash and bank overdrafts. In the combined statements of financial position, bank overdrafts are shown within loans and borrowings in current liabilities.

(j) Consumable inventories

Consumable inventories consist mainly of provisions and supplies and are carried at the lower of cost, determined on a weighted average basis, and net realisable value. Net realisable value is determined on the basis of estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Crystal Group Companies will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtors and the probability that the debtor will default in payments are considered indicators that the trade receivables are impaired. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the combined statements of comprehensive income.

(l) Financial assets**(i) Classification**

The Crystal Group Companies classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of combined statement of financial position. These are classified as non-current assets. The Crystal Group Companies' loans and receivables comprise "cash and cash equivalents", "trade and other receivables" and "amounts due from related companies" in the combined statements of financial position (notes (i) and (k)).

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Crystal Group Companies commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Crystal Group Companies has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Crystal Group Companies assesses at each date of combined statements of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses recognised in the combined statements of comprehensive income on equity instruments are not reversed through the combined statements of comprehensive income. Impairment testing of trade receivables is described in note (k).

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the combined statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realised the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of Crystal Cruises or the counterparty.

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Crystal Group Companies has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are recognised for a contract that is onerous, a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Crystal Group Companies. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the combined financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Crystal Group Companies.

Contingent assets are not recognised but are disclosed in the notes to the combined financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, the asset is recognised.

(o) Assets under leases**(i) *Finance leases***

Leases that substantially transfer to the Crystal Group Companies all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the combined statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability for each period. The finance charges are charged to the combined statements of comprehensive income over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

(ii) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. The ships held under a medium-term lease is classified as an operating lease if the risks and rewards incidental to ownership will not be transferred to the lessee. Rental payments applicable to such operating leases are charged to the combined statements of comprehensive income on a straight-line basis over the lease term.

(p) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Cruise ship equipment	3 years
Equipment	5 years
Furniture and fittings	7 years
Leasehold improvements	Shorter of lease term or 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of combined statements of financial position.

Capitalised project costs are reviewed at the end of each reporting period in order to determine if these costs should continue to be capitalised. When a project has been aborted or circumstances indicate that a project has become commercially not viable, all costs previously capitalised relating to such projects are expensed to the combined statements of comprehensive income.

The gain or loss on disposal of a property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the combined statements of comprehensive income.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note (t)).

(q) Retirement benefit costs

A defined contribution plan is a pension plan under which the Crystal Group Companies pays fixed contributions into a separate entity. The Crystal Group Companies has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the combined statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in income statements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For defined contribution plans, the Crystal Group Companies pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Crystal Group Companies has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(r) Employee leave entitlements

Employees' entitlement to annual leave are recognised when they are accrued to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the date of combined statements of financial position.

Employees' entitlement to sick leave and maternity or paternity leave are not recognised until the time of leave.

(s) Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares and options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Impairment of assets

At each date of combined statements of financial position, both internal and external sources of information are considered to assess whether there is any indication that interests in subsidiaries and property, plant and equipment are impaired. If any indication of impairment of an asset exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss. For the purpose of assessing impairment, assets are grouped and evaluated at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

The Crystal Group Companies measures the amount of the impairment by comparing the carrying amount of an asset to its recoverable amount, which is the higher of an asset's net selling price or its value in use. The Crystal Group Companies estimates recoverable amount based on the best information available making whatever estimates, judgements and projections considered necessary. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties less costs of disposal. The estimation of value in use is measured using various financial modeling techniques such as discounting future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful lives at discount rates which commensurate with the risk involved.

In respect of assets other than goodwill, an impairment loss is reversed if there has been an improvement in the estimates used to determine the recoverable amount. An impairment losses made against goodwill arising from acquisition of subsidiaries are not reversed. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the profit and loss in the year in which the reversals are recognised.

3 Financial risk management**(a) Financial risk factors**

The Crystal Group Companies' activities expose it to a variety of financial risks: foreign currency exchange rate risk, credit risk and liquidity risk. The Crystal Group Companies' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Crystal Group Companies' financial performance.

(i) Foreign currency exchange rate risk

The Crystal Group Companies is exposed to foreign currency exchange rate fluctuations on the US dollar value of the Crystal Group Companies' foreign currency denominated forecasted transactions. The Crystal Group Companies' principal net foreign currency exposure relates to the Norwegian Krone, Canadian dollars, Pound Sterling and Euro. To manage this exposure, the Crystal Group Companies takes advantage of any natural offsets of the Crystal Group Companies' foreign currency assets and liabilities.

At 31 March 2013, 2014 and 2015, if the Norwegian Krone, Canadian dollars and Pound Sterling had all weakened/strengthened by 5%, against US dollars with all other variables held constant, the foreign exchange losses/gains as a result of translation of Norwegian Krone, Canadian dollars and Pound Sterling denominated cash and cash equivalents would be as follows:

	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Foreign exchange losses/gains	<u>222</u>	<u>231</u>	<u>221</u>

The Crystal Group Companies is not exposed to any material foreign exchange risk.

(ii) *Credit risk*

Credit risk arises from trade and other receivables, amounts due from related companies and cash at banks. The Crystal Group Companies has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, the Crystal Group Companies manages its risk by performing regular reviews of the ageing profile of trade and other receivables. Amounts due from related companies are continuously monitored by assessing the credit quality of the counterparty, taking into account their financial positions, past experience and other factors.

Cash is deposited with financial institutions with sound credit ratings and the Crystal Group Companies has exposure limit to any single financial institution. Given their high credit ratings, management does not expect any of these financial institutions will fail to meet their obligations.

The Crystal Group Companies does not provide any guarantees which would expose the Crystal Group Companies to credit risk. The Crystal Group Companies considers the risk of material loss in the event of non-performance by a debtor to be unlikely.

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and participates in a cash pooling arrangement. Due to the dynamic nature of the underlying businesses, the Crystal Group Companies aims to maintain flexibility in funding by keeping sufficient cash (2013: US\$13.3 million; 2014: US\$10.2 million and 2015: US\$11.1 million). In respect of the cash pooling arrangement, each related company maintains an account with a bank from which all surplus cash is swept on a daily basis. The Crystal Group Companies earns interest on amounts swept into the cash pooling balance and accrues interest on amounts borrowed under the cash pooling arrangement. The cash pooling balance is included in due from/(to) related companies in the amount of (US\$74.0 million), US\$28.9 million and US\$197.5 million as at 31 March 2013, 2014 and 2015 respectively.

The table below analyses the Crystal Group Companies' non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of combined statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 1 year US\$'000	Total US\$'000
2013		
Trade creditors	19,711	19,711
Accruals and other liabilities	29,993	29,993
Amounts due to related companies	<u>77,802</u>	<u>77,802</u>
2014		
Trade creditors	18,405	18,405
Accruals and other liabilities	<u>34,665</u>	<u>34,665</u>
2015		
Trade creditors	26,467	26,467
Accruals and other liabilities	<u>20,631</u>	<u>20,631</u>

Certain short-term financial instruments

The fair values of cash and cash equivalents, trade and other receivables, amounts due from/(to) related companies, trade creditors and accrued liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

(b) Capital risk management

The Crystal Group Companies' objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Crystal Group Companies manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Crystal Group Companies may make funding arrangements with the ultimate holding company.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Crystal Group Companies makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of assets

The Crystal Group Companies reviews its assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Where an impairment indicator exists, the recoverable amount of the asset is determined based on the valuation performed by external valuers or value-in-use calculations prepared on the basis of management's assumptions and estimates about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the Crystal Group Companies takes into consideration assumptions that are mainly based on market condition existing at the dates of combined statements of financial position and appropriate market and discount rates. These estimates are regularly compared with actual market data and actual transactions entered into by the Crystal Group Companies. The carrying value of the property, plant and equipment as at 31 March 2013, 2014 and 2015 were US\$8.3 million, US\$12.7 million and US\$16.2 million, respectively. More details are given in note 9.

(b) Estimated useful lives of property, plant and equipment

In accordance with HKAS 16 'Property, Plant and Equipment', the Crystal Group Companies estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Crystal Group Companies also performs annual review of the assumptions made on useful lives to ensure that they continue to be valid.

(c) Impairment of trade receivables

Management reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment is made for the irrecoverable amounts. Management assesses the recoverable amount of each individual trade receivable whether there is objective evidence that the trade receivables are impaired. This evidence may include observable data indicating that there has been an adverse change in the payment status of the debtors and the local economic conditions that correlate with the potential risk of impairment on the transactions. Management reassesses the provision at each date of combined statements of financial position.

(d) Income taxes

Deferred income tax assets and liabilities are determined based on the difference between the combined financial statements and income tax basis of assets and liabilities and are measured based on enacted tax laws and rates that will be in effect when these differences are expected to reverse. A valuation allowance is established, when necessary, to reduce deferred income tax assets to the amount expected to be realised.

The Crystal Group Companies is included in the consolidated federal income tax return and the combined state income tax returns of NGA. For federal income tax purposes, the provision for income taxes is generally calculated as if the Crystal Group Companies were filing on a separate-return basis. For combined state income taxes, the Crystal Group Companies' provision for both current and deferred taxes is calculated by NGA using a Parent-down approach under which the Parent's combined current and deferred taxes are allocated to individual group members.

All income tax receivables and payables are ultimately due to or from NGA under tax-sharing arrangements. Under the federal tax-sharing agreement, net operating loss carryforwards are generally available only to reduce future tax liabilities. Unused net operating loss carryforwards may be carried forward for a period of 20 years in accordance with federal tax law.

(e) Contingencies

Periodically, the Crystal Group Companies assesses potential liabilities related to any lawsuits or claims or any asserted claims brought against the Crystal Group Companies, including tax, legal and/or environmental matters. Although it is typically very difficult to determine the timing and ultimate outcome of such actions, the Group uses its best judgement to determine if it is probable that it will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In assessing probable losses, the Crystal Group Companies takes into consideration estimates of the amount of insurance recoveries, if any. In accordance with HKAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the Crystal Group Companies accrues for a liability when it believes a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recoveries, although the Crystal Group Companies believes that the estimates and judgements are reasonable, it is possible that certain matters may be resolved for amounts materially different from any estimated provisions or previous disclosures.

(f) Loyalty points fair value assessment

The Crystal Group Companies recognises the fair values of the customer loyalty award credits, based on the published redemption terms, historical redemption pattern of customers and fair value of cabins onboard and other goods and services as at year end. The Crystal Group Companies reassess the measurement basis used for calculating the fair value of customer loyalty award credits for redemption of cabin onboard on regular basis.

(g) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Crystal Group Companies determines the appropriate discount rate at the end of each Relevant Periods. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Crystal Group Companies considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

5 Revenue and segment information

Crystal Cruises is engaged in operating two luxury cruise ships — Crystal Symphony and Crystal Serenity. Revenue recognised is as follows:

	Year ended 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Passenger ticket revenue	180,671	215,395	247,664
Onboard and other revenues	<u>84,046</u>	<u>89,728</u>	<u>80,407</u>
	<u>264,717</u>	<u>305,123</u>	<u>328,071</u>

The chief operating decision-maker has been identified as the managers of Crystal Cruises. The managers review Crystal Cruises' internal reporting in order to assess performance of its cruise business, which represents the sole operating segment of Crystal Cruises.

Internal reporting provided to the managers of Crystal Cruises is measured in a manner consistent with that in the Financial Information.

6 (Loss)/profit before taxation

(Loss)/profit before taxation from continuing operations is stated after charging the following:

	Year ended 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Depreciation and amortisation	8,243	9,547	9,945
Staff costs (see note 8)	71,420	71,274	71,288
Fuel costs	34,839	35,980	29,181
Operating leases - land and buildings	1,831	1,751	1,024
Advertising expenses	<u>37,360</u>	<u>32,907</u>	<u>35,521</u>

7 Taxation

	Year ended 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
U.S. taxation:			
- Current taxation	15	221	36
- Deferred taxation	39	81	(130)
Overseas taxation:			
- Current taxation	<u>47</u>	<u>25</u>	<u>42</u>
	<u>101</u>	<u>327</u>	<u>(52)</u>

The Crystal Group Companies' effective tax rate for the years ended 31 March 2013, 2014 and 2015, differs from the U.S. federal statutory rate primarily due to California state taxes, the disallowance of certain expenses for income tax purposes, and the deferred tax assets not recognised.

The primary components of the Crystal Group Companies' net deferred tax assets as at 31 March 2013, 2014 and 2015, are as follows:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Deferred tax assets:			
Accrued liabilities	336	435	492
Property, plant and equipment	—	7	5
Net operating loss carryforwards	<u>—</u>	<u>—</u>	<u>495</u>
Deferred tax assets before offsetting	336	442	992
Offsetting	<u>(126)</u>	<u>(367)</u>	<u>(971)</u>
Deferred tax assets after offsetting	<u>210</u>	<u>75</u>	<u>21</u>
Deferred tax liabilities:			
State taxes	(379)	(409)	(287)
Property, plant and equipment	—	(158)	(665)
Others	<u>—</u>	<u>—</u>	<u>(37)</u>
Deferred tax liabilities before offsetting	(379)	(567)	(989)
Offsetting	<u>126</u>	<u>367</u>	<u>971</u>
Deferred tax liabilities after offsetting	<u>(253)</u>	<u>(200)</u>	<u>(18)</u>

Deferred tax assets are not recognised as it is not probable that the Crystal Group Companies will be able to project sufficient profit in the future to realise the benefits of these tax losses. The amount of deferred tax assets not recognised in the combined statements of financial position are as follows:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Accrued liabilities	6,142	2,345	—
Property, plant and equipment	1,015	—	—
Net operating loss carryforwards	89,872	88,502	83,119
Alternative minimum tax credit carryforwards	1,671	1,671	1,671
Others	104	1,560	2,915
	<u>98,804</u>	<u>94,078</u>	<u>87,705</u>

8 Staff costs

Staff costs include employee salaries and other employee related benefits but excluding directors' remuneration.

	Year ended 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Wages and salaries	53,541	55,465	56,087
Post employment benefits	1,366	1,378	777
Other employment benefits	<u>16,513</u>	<u>14,431</u>	<u>14,424</u>
	<u>71,420</u>	<u>71,274</u>	<u>71,288</u>

APPENDIX II **FINANCIAL INFORMATION OF CRYSTAL CRUISES**

9 Property, plant and equipment

Property, plant and equipment consists of the following:

	Cruise ship equipment <i>US\$'000</i>	Equipment <i>US\$'000</i>	Leasehold improvements <i>US\$'000</i>	Furnitures and fixtures <i>US\$'000</i>	Construction in progress <i>US\$'000</i>	Total <i>US\$'000</i>
Cost						
At 1 April 2012	26,348	7,512	2,817	1,498	—	38,175
Additions	<u>8,996</u>	<u>271</u>	<u>—</u>	<u>10</u>	<u>—</u>	<u>9,277</u>
At 31 March 2013	<u>35,344</u>	<u>7,783</u>	<u>2,817</u>	<u>1,508</u>	<u>—</u>	<u>47,452</u>
Accumulated depreciation and impairment loss						
At 1 April 2012	19,932	6,673	2,802	1,494	—	30,901
Charge for the year	<u>7,723</u>	<u>503</u>	<u>15</u>	<u>2</u>	<u>—</u>	<u>8,243</u>
At 31 March 2013	<u>27,655</u>	<u>7,176</u>	<u>2,817</u>	<u>1,496</u>	<u>—</u>	<u>39,144</u>
Net book value						
At 31 March 2013	<u>7,689</u>	<u>607</u>	<u>—</u>	<u>12</u>	<u>—</u>	<u>8,308</u>
	Cruise ship equipment <i>US\$'000</i>	Equipment <i>US\$'000</i>	Leasehold improvements <i>US\$'000</i>	Furnitures and fixtures <i>US\$'000</i>	Construction in progress <i>US\$'000</i>	Total <i>US\$'000</i>
Cost						
At 1 April 2013	35,344	7,783	2,817	1,508	—	47,452
Additions	9,394	1,366	2,455	711	—	13,926
Write off	<u>—</u>	<u>(6,333)</u>	<u>(2,817)</u>	<u>(1,492)</u>	<u>—</u>	<u>(10,642)</u>
At 31 March 2014	<u>44,738</u>	<u>2,816</u>	<u>2,455</u>	<u>727</u>	<u>—</u>	<u>50,736</u>
Accumulated depreciation and impairment loss						
At 1 April 2013	27,655	7,176	2,817	1,496	—	39,144
Charge for the year	8,706	615	153	73	—	9,547
Write off	<u>—</u>	<u>(6,333)</u>	<u>(2,817)</u>	<u>(1,492)</u>	<u>—</u>	<u>(10,642)</u>
At 31 March 2014	<u>36,361</u>	<u>1,458</u>	<u>153</u>	<u>77</u>	<u>—</u>	<u>38,049</u>
Net book value						
At 31 March 2014	<u>8,377</u>	<u>1,358</u>	<u>2,302</u>	<u>650</u>	<u>—</u>	<u>12,687</u>

APPENDIX II
FINANCIAL INFORMATION OF CRYSTAL CRUISES

	Cruise ship equipment <i>US\$'000</i>	Equipment <i>US\$'000</i>	Leasehold improvements <i>US\$'000</i>	Furnitures and fixtures <i>US\$'000</i>	Construction in progress <i>US\$'000</i>	Total <i>US\$'000</i>
Cost						
At 1 April 2014	44,738	2,816	2,455	727	—	50,736
Currency translation differences	—	(9)	—	—	—	(9)
Additions	11,357	813	404	294	606	13,474
Disposals	<u>—</u>	<u>(2)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2)</u>
At 31 March 2015	<u>56,095</u>	<u>3,618</u>	<u>2,859</u>	<u>1,021</u>	<u>606</u>	<u>64,199</u>
Accumulated depreciation and impairment loss						
At 1 April 2014	36,361	1,458	153	77	—	38,049
Currency translation differences	—	(9)	—	—	—	(9)
Charge for the year	8,783	746	285	132	—	9,946
Disposals	<u>—</u>	<u>(2)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2)</u>
At 31 March 2015	<u>45,144</u>	<u>2,193</u>	<u>438</u>	<u>209</u>	<u>—</u>	<u>47,984</u>
Net book value						
At 31 March 2015	<u>10,951</u>	<u>1,425</u>	<u>2,421</u>	<u>812</u>	<u>606</u>	<u>16,215</u>

10 Consumable inventories

	As at 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Food and beverage	4,994	6,287	5,830
Supplies and consumables	<u>25,015</u>	<u>25,268</u>	<u>24,385</u>
	<u>30,009</u>	<u>31,555</u>	<u>30,215</u>

11 Trade receivables

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Trade receivables	<u>2,983</u>	<u>5,311</u>	<u>4,671</u>

The ageing analysis of the trade receivables is as follows:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Current to 30 days	<u>2,983</u>	<u>5,311</u>	<u>4,671</u>

Credit terms are generally payment in advance during the Relevant Periods.

The carrying amounts of the Crystal Group Companies' trade receivables after provision are denominated in the following currencies:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
US dollars	<u>2,983</u>	<u>5,311</u>	<u>4,671</u>

No provision was made for trade receivables and no trade receivable was written off as uncollectable during the Relevant Periods.

The aged debt profile of trade receivables is reviewed on a regular basis to ensure that the trade receivables are collectible and follow up actions are promptly carried out if the agreed credit periods have been extended. Overdue balances are reviewed regularly by senior management. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. As at 31 March 2013, 2014 and 2015, there are no trade receivables that were past due but not provided.

The maximum exposure to credit risk at the reporting date is the fair value of the trade receivables mentioned above.

APPENDIX II **FINANCIAL INFORMATION OF CRYSTAL CRUISES**

12 Other assets, prepaid expenses and other receivables

	As at 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Other debtors, deposits and prepayments	570	957	324
Prepayments	6,110	4,592	7,836
Insurance claim receivables	3,821	697	1,358
Receivable from a third party bank	—	5,481	—
	<u>10,501</u>	<u>11,727</u>	<u>9,518</u>
Less: non-current portion	<u>(1,068)</u>	<u>(989)</u>	<u>(633)</u>
Current portion	<u>9,433</u>	<u>10,738</u>	<u>8,885</u>

The other assets, prepaid expenses and other receivables are denominated in the following currencies:

	As at 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Norwegian Krone	38	23	30
US dollars	<u>10,463</u>	<u>11,704</u>	<u>9,488</u>
	<u>10,501</u>	<u>11,727</u>	<u>9,518</u>

13 Amounts due from/(to) related companies

Amounts due from/(to) related companies are unsecured, interest free and repayable on demand.

	As at 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Amounts due from related companies	81	159,525	197,523
Amounts due to related companies	<u>(77,802)</u>	<u>—</u>	<u>—</u>
	<u>(77,721)</u>	<u>159,525</u>	<u>197,523</u>
Comprising balances due from/(to):			
NYK International (USA) , Inc	(73,971)	28,905	197,523
NYK FTC Singapore	—	130,020	—
Other affiliates	<u>(3,750)</u>	<u>600</u>	<u>—</u>
	<u>(77,721)</u>	<u>159,525</u>	<u>197,523</u>

APPENDIX II FINANCIAL INFORMATION OF CRYSTAL CRUISES

14 Cash and cash equivalents

Deposits, cash and bank balances consist of the following:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Cash and bank balances	<u>13,273</u>	<u>10,200</u>	<u>11,106</u>

The cash and cash equivalents are denominated in the following currencies:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Norwegian Krone	4,344	4,402	4,276
US dollars	8,840	5,581	6,696
Canadian dollars	41	97	74
Pound Sterling	<u>48</u>	<u>120</u>	<u>60</u>
	<u>13,273</u>	<u>10,200</u>	<u>11,106</u>

15 Combined capital

The Crystal Group Companies' combined capital as at the end of each of the Relevant Periods represents the aggregate of the share capital of all the companies comprising the Crystal Group Companies after elimination of intercompany investments.

16 Trade creditors

The ageing analysis of trade creditors is as follows:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Current to 60 days	<u>19,711</u>	<u>18,405</u>	<u>26,467</u>

Credit terms granted to the Crystal Group Companies generally vary from no credit to 30 days credit (31 March 2014: no credit to 30 days; 31 March 2013: no credit to 30 days).

The carrying amounts of trade creditors are denominated in the following currencies:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
US dollars	<u>19,711</u>	<u>18,405</u>	<u>26,467</u>

17 Provisions, accruals and other liabilities

Provisions, accruals and other liabilities consist of the following:

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Payroll, taxes and related benefits	5,418	6,498	8,058
Port charges accrued	1,610	900	1,778
Accruals for obligations under a customer loyalty programme	18,884	20,866	5,736
Deferred compensation	1,553	1,506	—
Accrued pension liabilities	6,579	3,621	5,702
Others	<u>4,052</u>	<u>5,821</u>	<u>4,720</u>
	38,096	39,212	25,994
Less: non-current portion	<u>(8,103)</u>	<u>(4,547)</u>	<u>(5,363)</u>
Current portion	<u>29,993</u>	<u>34,665</u>	<u>20,631</u>

18 Significant related party transactions and balances

Related parties of the Crystal Group Companies during the Relevant Periods are set out below:

- (a) Crystal Cruises participates in a cash pooling arrangement with NGA affiliates in order to utilise cash efficiently. Each affiliate maintains an account with a bank from which all surplus cash is swept on a daily basis. Crystal Cruises earns interest on amounts swept into the cash pooling balance and accrues interest on amounts borrowed under the cash pooling arrangement. The cash pooling balance is included in due from / (to) affiliates in the amount of (US\$73.9 million), US\$28.9 million and US\$197.5 million as at 31 March 2013, 2014 and 2015 respectively.
- (b) During the year ended 31 March 2014, Crystal Cruises entered into a loan agreement with NYK FTC (Singapore), for which US\$130million was advanced to NYK FTC (Singapore) as at 31 March 2014. The outstanding loan balance bears interest at an annual rate of 0.28%

and is due in June 2014, although both Crystal Cruises and NYK FTC (Singapore) may mutually agree to extend the loan in incremental periods of approximately 90 days or shorter. The loan agreement is fully guaranteed by NYK. The outstanding loan is being settled in February 2015.

- (c) Crystal Cruises has operating leases for the use of the Crystal Symphony with Crystal Ship (Bahamas) Limited (“CSB”), an affiliated entity. The charterage fee in which were paid to CSB for Crystal Symphony amounted to US\$3.2 million for the year ended 31 March 2014 (2013:US\$10.6 million). On 17 July 2013, Crystal Cruises entered into a new operating lease agreement for the use of the Crystal Symphony with BTMU, a third-party bank.
- (d) Crystal Cruises has operating leases for the use of the Crystal Serenity with Crystal Ship Three (Bahamas) Limited (“CST”), an affiliated entity. The charterage fee in which were paid to CST for Crystal Serenity amounted to US\$9.6 million for the year ended 31 March 2014 (2013:US\$24.8 million). On 30 September 2013, Crystal Cruises entered into a new operating lease agreement for the use of the Crystal Serenity with BTMU, a third-party bank.

Crystal Cruises has numerous transactions and relationships with the Parent Company, NGA and affiliates. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if Crystal Cruises had operated without such affiliations.

Amounts outstanding at the end of each fiscal period in respect of the above transactions were included in the combined statement of financial position within amounts due from/(to) related companies. The related party transactions described above were carried out on terms, conditions and prices comparable to transactions with independent parties.

19 Commitments and contingencies

(i) Leases

During the year ended 31 March, 2014, Crystal Cruises entered into new operating lease agreements for the use of the Crystal Symphony and Crystal Serenity with a third-party bank. The new lease agreement for Crystal Symphony is effective through June 2018. The new lease agreement for the Crystal Serenity is effective through September 2016. In connection with the sale of Crystal Cruises, Crystal Cruises implemented a series of reorganisation steps in which Crystal Serenity and Crystal Symphony were acquired by Crystal Cruises from the third-party bank (see Note 1). The lease agreements with the third-party bank were terminated as of that date.

Total lease expense (including charterage under the previous charterage agreements for the year ended 31 March 2013, 2014 and 2015) amounted to US\$35.4 million, US\$24.2 million and US\$19.9 million for the years ended 31 March 2013, 2014 and 2015, respectively.

The Crystal Group Companies also leases office facilities and certain office equipment under various operating leases. Future minimum lease payments under such operating leases that have remaining non-cancellable lease terms in excess of one year at 31 March 2015, consisted of the following:

	<i>US\$'000</i>
Year ending 31 March	
2016	1,282
2017	1,315
2018	1,317
2019	1,355
2020	1,395
2021 - 2025	<u>5,583</u>
Total	<u>12,247</u>

Total rent expense under these operating leases for the years ended 31 March, 2013, 2014 and 2015, was approximately US\$562,000, US\$474,000 and US\$462,000, respectively.

(ii) Contracts

Crystal Cruises has employment contracts with certain executives that contain the commitment to pay six months' salary or the remaining contractual terms upon termination without cause. These agreements are initially two- to three-year contracts that automatically continue, unless Crystal Cruises terminates these contracts for cause.

(iii) Standby letters of credit and other guarantees

The Crystal Group Companies maintains certain standby letters of credit issued by a financial institution totaling approximately US\$50,941,000 as at 31 March 2015, which are guaranteed by the Ultimate Parent Company. The standby letters of credit are maintained for operational purposes and are renewed on an as-needed basis. In addition, the Ultimate Parent Company has provided guarantees directly to third parties on behalf of Crystal Cruises up to a maximum total of US\$256,913,000 as at 31 March 2015. The standby letters of credit and agreements guaranteed by the Ultimate Parent Company as of 31 March 2015, expire at various dates in fiscal years 2015 through 2024.

(iv) Legal contingencies

The Crystal Group Companies is periodically involved in various litigations and claims arising in the normal course of business. The majority of these claims are covered by insurance. Management believes that the resolution of currently known pending or threatened litigations and claims, net of expected insurance recoveries, will not have any material adverse effect on the Crystal Group Companies' financial position, results of operations, or cash flows

20 Employee benefit plans

The Crystal Group Companies maintains (i) the Crystal Cruises Pension Plan (“Pension Plan”), a non-contributory defined benefit pension plan, and (ii) the Crystal Cruises Supplemental Executive Retirement Plans (“SERP”), a supplemental plan for certain executive management who participate in the Pension Plan. The Pension Plan is a funded plan, which covers all full-time employees age over 21 and with at least one year of service as defined in the plan document. Crystal Cruises funds this plan in accordance with the terms of the plan and statutory requirements. The retirement benefit payment is fixed and payable monthly based on average compensation and the number of years of service. The SERP is an unfunded plan, which covers certain executive management whose benefits under the Pension Plan are statutorily limited. The underfunded status of the Pension Plan and the underfunded status of the SERP as at 31 March 2013, 2014 and 2015, are presented in non-current other liabilities in the accompanying combined balance sheets.

(i) Pension plans

	As at 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Service cost - benefits earned during the year	626	96	—
Interest cost on projected benefit obligation	1,065	1,339	1,381
Expected return on plan assets	(961)	(1,137)	(1,253)
Net amortization and deferral	81	61	—
Effect of curtailment	—	512	—
Net periodic pension cost	<u>811</u>	<u>871</u>	<u>128</u>
Weighted average assumption used to determine net periodic pension cost:			
Assumed discount rate	4.1%	4.3%	3.8%
Long-term rate of return on plan assets	7.5%	7.5%	7.5%

During the year ended 31 March 2014, the Crystal Group Companies elected to amend the Pension Plan and as a result, future benefit accruals were frozen as at 31 December 2013. For accounting purposes, the freezing of benefit accruals was considered to be a plan curtailment for which the plan assets and liabilities were remeasured as of the amendment date. The effect of the plan curtailment as recognised in net periodic pension cost for the year ended 31 March 2014 was US\$512,080.

APPENDIX II**FINANCIAL INFORMATION OF CRYSTAL CRUISES**

The Pension Plan's funded status and amounts recognised in the Crystal Group Companies' statements of financial position are set forth in the following table:

	<i>US\$'000</i>		
Year ending 31 March			
2016			860
2017			920
2018			960
2019			1,000
2020			1,050
2021 - 2025			<u>5,980</u>
Total			<u><u>10,770</u></u>
	Year ended 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Projected benefit obligation for service rendered	<u>20,638</u>	<u>20,032</u>	<u>23,856</u>
Plan assets at fair value:			
Fair value of plan assets - beginning of year	12,779	14,854	17,276
Actual return on plan assets	1,296	1,822	1,412
Employer contributions	1,200	1,025	500
Benefits paid	<u>(421)</u>	<u>(425)</u>	<u>(695)</u>
Total plan assets at fair value	<u>14,854</u>	<u>17,276</u>	<u>18,493</u>
Underfunded status at end of year (recognised as an other long-term liability in the accompanying combined balance sheets)	<u>5,784</u>	<u>2,756</u>	<u>5,363</u>
Components of accumulated other comprehensive loss:			
Accumulated net loss	<u>6,333</u>	<u>3,626</u>	<u>6,983</u>
Accumulated other comprehensive loss	<u><u>6,333</u></u>	<u><u>3,626</u></u>	<u><u>6,983</u></u>
Accumulated benefit obligation	<u><u>17,148</u></u>	<u><u>20,032</u></u>	<u><u>23,856</u></u>
Weighted average assumptions used to determine benefit obligation:			
Assumed discount rate	4.1%	4.3%	3.8%

The Crystal Group Companies contributes amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws, plus such additional amounts considered appropriate. Contributions of US\$500,000 are expected to be made during the fiscal year ending 31 March 2016.

(ii) **Crystal Cruises SERP**

	For the year ended 31 March		
	2013	2014	2015
	US\$'000	US\$'000	US\$'000
Service cost - benefits earned during the year	17	19	—
Interest cost on projected benefit obligation	33	32	25
Effect of curtailment	—	—	112
Net periodic pension cost	<u>50</u>	<u>51</u>	<u>137</u>
Weighted average assumption used to determine net periodic pension cost:			
Assumed discount rate			4.79% (20+ yrs)
			3.77% (5-20 yrs)
	4.3%	4.1%	1.48% (0 - 5 yrs)
Long-term rate of return on plan assets	7.5%	7.5%	7.5%

During the year ended 31 March 2014, the Crystal Group Companies elected to amend the SERP and as a result, future benefit accruals were frozen as at 31 December 2013. For accounting purposes, the freezing of benefit accruals was considered to be a plan curtailment for which the plan assets and liabilities were remeasured as of the amendment date. The effect of the plan curtailment as recognised in net periodic pension cost for the year ended 31 March 2014 was US\$15,543.

The Pension Plan's funded status and amounts recognised in the Crystal Group Companies' statements of financial position are set forth in the following table:

	US\$'000
Year ending 31 March 2016	<u>328</u>
Total	<u>328</u>

APPENDIX II
FINANCIAL INFORMATION OF CRYSTAL CRUISES

	Year ended 31 March		
	2013	2014	2015
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Projected benefit obligation for service rendered	<u>795</u>	<u>865</u>	<u>339</u>
Plan assets at fair value:			
Fair value of plan assets - beginning of year	—	—	—
Employer contributions	30	30	580
Benefits paid	(30)	(30)	(30)
Settlement	<u>—</u>	<u>—</u>	<u>(550)</u>
Total plan assets at fair value	<u>—</u>	<u>—</u>	<u>—</u>
Underfunded status at end of year (recognized as an other long-term liability in the accompanying consolidated balance sheets)	<u>795</u>	<u>865</u>	<u>339</u>
Components of accumulated other comprehensive loss:			
Accumulated net loss	<u>139</u>	<u>158</u>	<u>69</u>
Accumulated other comprehensive loss	<u>139</u>	<u>158</u>	<u>69</u>
Accumulated benefit obligation	<u>786</u>	<u>865</u>	<u>339</u>
Weighted average assumptions used to determine benefit obligation:			
Assumed discount rate		1.48% (0-5 yrs)	
		3.77% (5-20 yrs)	
	4.1%	4.3%	4.79% (20+ yrs)

There is no estimated prior service cost projected for the SERP that will be amortised from accumulated other comprehensive loss into net periodic pension cost over the next fiscal year.

21 Principal subsidiary

The following is a principal subsidiary as at 31 March 2015:

Name of Company	Country of Incorporation and place of business	Principal activities	Proportion of ordinary shares held by Crystal Cruises (%)	Proportion of ordinary shares held by Crystal Group Companies (%)	Proportion of ordinary shares held by non-controlling interests (%)
Subsidiary held directly:					
International Cruise Management Agency	Norway	Provision of crew management services	100	100	—

Note: ICSL has become a wholly-owned subsidiary of Crystal Cruises as a result of completion of Restructuring and Completion on 15 May 2015. ICSL was established in the Bahamas and, before Completion, a wholly-owned subsidiary of NYK. The principal activity of ICSL is to provide crew personnel services for the Cruise Vessels operated by Crystal Cruises.

22 Significant subsequent events

Crystal Cruises was converted from a corporation, Crystal Cruises, Inc., to a limited liability company under the laws of the State of California, Crystal Cruises, LLC, after the year end.

Symphony SPV and Serenity SPV were established after the year end and Crystal Symphony and Crystal Serenity were transferred to these 2 entities respectively. As a result, Crystal Cruises indirectly owns the Cruise Vessels and the bareboat charter agreement with BTMU was subsequently terminated.

23 Approval of financial statements

These combined financial statements of Crystal Group Companies have been approved for issuance by the Board in June 2015.

(III) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Crystal Group Companies in respect of any period subsequent to 31 March 2015 up to the date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by the Crystal Group Companies in respect of any period subsequent to 31 March 2015.

Yours faithfully,

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

UNAUDITED PRO FORMA STATEMENT OF THE ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The following is an illustrative unaudited pro forma statement of assets and liabilities of the Enlarged Group which has been prepared based on the audited consolidated statement of financial position of the Group as set out in the published annual report for the year ended 31 December 2014 after making pro forma adjustments as set out in notes below. This unaudited pro forma statement of assets and liabilities of the Enlarged Group has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effects of the Acquisition, as if the Acquisition had taken place on 31 December 2014. It has been prepared on the basis of the notes below and is consistent with the accounting policies adopted by the Group. It has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Acquisition been completed as at 31 December 2014 or at any future date.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE ENLARGED GROUP**

**UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE
ENLARGED GROUP**

	Audited consolidated statement of financial position of the Group as at 31 December 2014		Pro Forma adjustments			Unaudited pro forma financial information of the Enlarged Group
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3a</i>	<i>Note 3b</i>	<i>Note 4</i>	
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	1,146,285	16,215		494,048		1,656,548
Land use right	4,278					4,278
Interest in jointly controlled entities	127,706					127,706
Interest in associates	1,394,279					1,394,279
Deferred tax assets	312	21				333
Available-for-sale investments	209,943					209,943
Other assets and receivables	35,226	633		130		35,989
Tradename	—			31,846		31,846
Goodwill	—			646		646
	<u>2,918,029</u>					<u>3,461,568</u>
CURRENT ASSETS						
Properties under development	17,820					17,820
Consumable inventories	17,983	30,215		(2,897)		45,301
Trade receivables	80,066	4,671				84,737
Prepaid expenses and other receivables	90,322	8,885		(134)		99,073
Available-for-sale investments	15,515					15,515
Amounts due from related companies	3,225	197,523		(197,523)		3,225
Restricted cash	9,517					9,517
Cash and cash equivalents	<u>718,574</u>	<u>11,106</u>	<u>(123,948)</u>	<u>61,000</u>	<u>(6,188)</u>	<u>660,544</u>
	<u>953,022</u>					<u>935,732</u>
TOTAL ASSETS	<u>3,871,051</u>					<u>4,397,300</u>

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE ENLARGED GROUP**

**UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE
ENLARGED GROUP**

	Audited consolidated statement of financial position of the Group as at 31 December 2014					Unaudited Pro forma financial information of the Enlarged Group
	<i>US\$'000</i>	<i>US\$'000</i>	Pro Forma adjustments		<i>US\$'000</i>	<i>US\$'000</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3a</i>	<i>Note 3b</i>	<i>Note 4</i>	
LIABILITIES						
NON-CURRENT LIABILITIES						
Loans and borrowings	237,659		283,929			521,588
Deferred tax liabilities	7,850	18				7,868
Other long term liabilities	—	5,363				5,363
	<u>245,509</u>					<u>534,819</u>
CURRENT LIABILITIES						
Trade creditors	33,271	26,467		(3,397)		56,341
Current income tax liabilities	4,369	47				4,416
Provision, accruals and other liabilities	93,592	20,631		(215)		114,008
Current portion of loans and borrowings	220,792		16,071			236,863
Derivative financial instruments	16,191					16,191
Amounts due to related companies	522					522
Advance ticket sales	16,321	190,443		(6,920)		199,844
	<u>385,058</u>					<u>628,185</u>
TOTAL LIABILITIES	<u>630,567</u>					<u>1,163,004</u>
NET ASSETS	<u>3,240,484</u>					<u>3,234,296</u>

Notes to the unaudited pro forma statement of assets and liabilities of the Enlarged Group:

- The balances are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2014 as set out in the published annual report of the Company for the year ended 31 December 2014.
- The balances are extracted from the accountant's report of the Crystal Group Companies as at 31 March 2015 as set out in Appendix II to this circular.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

3. The adjustments represent the accounting treatment for the Acquisition using the acquisition method of accounting, which is in accordance with the Group's accounting policies and HKFRS 3 issued by the Hong Kong Institute of Certified Public Accountants. Pursuant to the Purchase Agreement, the Company through its wholly-owned subsidiary has conditionally agreed to acquire 100% equity interest of Crystal Cruises at the total consideration of US\$423.9 million subject to adjustment. Upon the Completion, Crystal Cruises will become a wholly-owned subsidiary of the Company.
- (a) The adjustment represents payment of the cash consideration of US\$423.9 million by the Group. It is assumed that the payment of cash consideration is financed by new secured term loans in aggregate of up to US\$300 million and the remaining balance to be settled by the Group's internal resources.
- (b) These represent the fair value adjustments to the Crystal Group Companies' net identifiable assets, the recognition of goodwill arising from the Acquisition. The fair values and carrying amounts of the assets and liabilities of Crystal Group Companies as at 31 March 2015 and the financial effect of the Acquisition are analysed as follows:

	Fair value	Crystal Group Companies' carrying amount
	<i>US\$'000</i>	<i>US\$'000</i>
Crystal Serenity, Crystal Symphony, property, plant and equipment and consumable inventories (Note i)	537,581	46,430
Tradename	31,846	—
Current assets excluding consumable inventories (Note ii)	85,528	222,185
Other non-current assets	784	654
Current liabilities	(227,056)	(237,588)
Long-term liabilities	(5,381)	(5,381)
	<u>423,302</u>	<u>26,300</u>

Note:

- (i) The fair value adjustments mainly represent the recognition of Crystal Symphony of US\$195 million and Crystal Serenity of US\$310 million as property, plant and equipment as part of the Restructuring. Pursuant to the Purchase Agreement, the Restructuring has to be completed prior to the Completion by transferring Crystal Symphony and Crystal Serenity to Symphony SPV and Serenity SPV, which are the subsidiaries of Crystal Cruises.
- (ii) As mentioned in Note 3(b)(i) above, as part of the Restructuring, NYK Group transferred Crystal Symphony and Crystal Serenity to Crystal Cruises by partially offsetting the amount due to Crystal Cruises. The adjustments mainly represent utilising the amounts due from related companies included in current assets in the acquisition of Crystal Symphony and Crystal Serenity.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The goodwill arising from the Acquisition is as follows:

	US\$'000
Total consideration	423,948
Fair value of net assets acquired by the Group	<u>(423,302)</u>
Goodwill	<u>646</u>

For the purpose of applying the acquisition method of the accounting under HKFRS 3 for this Unaudited Pro Forma Financial Information, the fair value of the assets and liabilities of Crystal Cruises amounting to US\$423,302,000 is extracted from the valuation report prepared by an independent valuer.

For the purpose of this Unaudited Pro Forma Financial Information, the Directors considered that there is no impairment in the value of intangible assets and goodwill based on their assessment performed in accordance with Hong Kong Accounting Standard 36 - Impairment of Asset, and the reporting accountant has performed its procedures on the Unaudited Pro Forma Financial Information in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" and drawn its conclusion in the report as shown below. Upon Completion, the Company will adopt consistent accounting policies and principal assumptions as used in this Unaudited Pro Forma Financial Information to assess the impairment of the Enlarged Group's intangible assets and goodwill during the preparation of the future consolidated financial statements of the Enlarged Group and the auditor will perform the audit according to the Hong Kong Standards on Auditing.

Since the amount of consideration fair values and the carrying amounts of the identifiable net assets of Crystal Group Companies as at the Completion Date may be materially different from their respective values used in the preparation of the Unaudited Pro Forma Financial Information, the final amounts of the assets, liabilities and goodwill to be recognised in connection with the Acquisition may be materially different from the estimated amounts as shown above.

4. The adjustment represents the estimated transaction costs of approximately US\$6,188,000, which are mainly professional fees payable by the Group in connection with the Acquisition.
5. No adjustments have been made to reflect any results or transactions of the Enlarged Group entered into subsequent to 31 December 2014 and 31 March 2015, respectively.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

TO THE DIRECTORS OF GENTING HONG KONG LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Genting Hong Kong Limited (the "Company") and its subsidiaries (collectively the "Group"), and Crystal Cruises, LLC (formerly known as Crystal Cruises, Inc.) and its subsidiaries (the "Crystal Group Companies") (collectively the "Enlarged Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 31 December 2014 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 56 to 60 of the Company's circular dated 24 July 2015, in connection with the acquisition of the entire equity interest in Crystal Cruises, LLC (the "Transaction") by Crystal Acquisition Company Limited, an indirect wholly-owned subsidiary of the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages 58 to 60.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 31 December 2014 as if the Transaction had taken place at 31 December 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2014, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 24 July 2015

Crystal Cruises was incorporated in May 1988, California which currently operates two luxury cruise ships — the Crystal Symphony commenced operations in May 1995 and Crystal Serenity commenced operations in July 2003.

(i) For the Year ended 31 March 2015

Liquidity and financial resources and capital commitment

As at 31 March 2015, Crystal Group Companies had cash and cash equivalents of US\$11.1 million mainly held in US dollars and Norwegian Krone. It was in a net cash position as it did not have any loans and borrowings.

Crystal Cruises participated in a cash pooling arrangement with its related companies in order to utilise cash efficiently. Each related company maintained an account with a bank from which all surplus cash was swept on a daily basis. The cash pooling balance was included in due from/to related companies.

As at 31 March 2015, Crystal Group Companies did not have any capital commitments in respect of the acquisition of property, plant and equipment.

Significant investments and segmental information

Crystal Group Companies continues to focus on its cruise business which offers various cruise itineraries worldwide.

During the period under review, the Crystal Group Companies did not hold any significant investment.

Material acquisitions and disposals of subsidiaries and associated companies

During the period under review the Crystal Group Companies did not have any significant acquisition or disposal of any subsidiary or associated company.

Employees and remuneration policies

As at 31 March 2015, the Crystal Group Companies had approximately 1,673 employees, consisting of approximately 1,471 shipbased officers and crew as well as approximately 202 staff employed in the various world-wide offices of the Crystal Group Companies.

Crystal Cruises maintained (i) a non-contributory defined benefit pension plan, Crystal Cruises Pension Plan (“Pension Plan”) and (ii) a supplemental retirement plan for certain executive management who participated in the Pension Plan, (“SERP”).

The Pension Plan was a funded plan which covered all full time employees age over 21 and with at least one year of service as defined in the plan document. Crystal Cruises funded the plan in accordance with the terms of the plan and statutory requirements. The retirement benefit payment was fixed and payable monthly based on the average compensation and the number of years of service.

SERP was an unfunded plan which covered certain executive management whose benefits under the Pension Plan was statutorily limited.

For the year ended 31 March 2015, there was no significant change in the remuneration policies for Crystal Group Companies.

Charges on assets

During the period under review, the Crystal Group Companies did not have any charges on assets.

Future plans for material investments or capital assets

Symphony SPV and Serenity SPV were established after the year end and Crystal Symphony and Crystal Serenity were transferred to these 2 entities respectively. As a result, Crystal Cruises indirectly owns the Cruise Vessels respectively after year end.

Gearing ratio

Crystal Group Companies was in a net cash position of US\$11.1 million as at 31 March 2015. The gearing ratio is defined as net debt divided by total equity, which was not applicable for the year ended 31 March 2015.

Exposure to fluctuations in exchange rates and related hedges

Crystal Group Companies adopts a prudent treasury policy with all financing and treasury activities managed and controlled at its corporate head office. It is exposed to foreign currency exchange rate fluctuations on the U.S. dollar value of foreign currency denominated forecasted transactions. The principal net foreign currency exposure mainly relates to Norwegian Krone, Canadian dollars, Pound Sterling and Euro. To manage this exposure, the Crystal Group Companies takes advantage of any natural offset of foreign currency revenues and expenses.

Crystal Group Companies did not have any formal hedging policies and no financial instrument was used for hedging purpose.

Contingent liabilities

As at 31 March 2015, the Crystal Group Companies did not have any material contingent liabilities.

(ii) For the Year ended 31 March 2014**Liquidity, financial resources and capital commitment**

As at 31 March 2014, Crystal Group Companies had cash and cash equivalents of US\$10.2 million mainly held in US dollars and Norwegian Krone. It was in a net cash position as it did not have any loans and borrowings.

Crystal Cruises participated in a cash pooling arrangement with its related companies in order to utilise cash efficiently. Each related company maintained an account with a bank from which all surplus cash was swept on a daily basis. The cash pooling balance was included in due from/to related companies.

As at 31 March 2014, Crystal Group Companies did not have any capital commitments in respect of the acquisition of property, plant and equipment.

Significant investments and segmental information

Crystal Group Companies continues to focus on its cruise business which offers various cruise itineraries worldwide.

During the period under review, the Crystal Group Companies did not hold any significant investment.

Material acquisitions and disposals

In October 2013, the Crystal Group Companies paid US\$390,000 to ICMA, which was previously a wholly-owned subsidiary of NYK. ICMA provides crew management services and assists ICSL in recruiting shipboard employees for Crystal Symphony and Crystal Serenity.

Except for the above, the Crystal Group Companies did not have any significant acquisition or disposal of any subsidiary or associated company.

Employees and remuneration policies

As at 31 March 2014 the Crystal Group Companies had approximately, 1710 employees consisting of approximately 1507 shipbased officers and crew as well as approximately 203 staff employed in the various world-wide offices of the Crystal Group companies.

Crystal Cruises maintained (i) a non-contributory defined benefit pension plan, Crystal Cruises Pension Plan (“Pension Plan”) and (ii) a supplemental retirement plan for certain executive management who participated in the Pension Plan, (“SERP”).

The Pension Plan was a funded plan which covered all full time employees age over 21 and with at least one year of service as defined in the plan document. Crystal Cruises funded the plan in accordance with the terms of the plan and statutory requirements. The retirement benefit payment was fixed and payable monthly based on the average compensation and the number of years of service.

SERP was an unfunded plan which covered certain executive management whose benefits under the Pension Plan was statutorily limited.

For the year ended 31 March 2014, there was no significant change in the remuneration policies for Crystal Group Companies.

Charges on assets

During the period under review, the Crystal Group Companies did not have any charges on assets.

Future plans for material investments or capital assets

During the period under review, the Crystal Group Companies did not have any future plans for material investments or capital assets.

Gearing ratio

Crystal Group Companies was in a net cash position of US\$10.2 million as at 31 March 2014. The gearing ratio is defined as net debt divided by total equity, which was not applicable for the year ended 31 March 2014.

Exposure to fluctuations in exchange rates and related hedges

Crystal Group Companies adopts a prudent treasury policy with all financing and treasury activities managed and controlled at its corporate head office. It is exposed to foreign currency exchange rate fluctuations on the U.S. dollar value of foreign currency denominated forecasted transactions. The principal net foreign currency exposure mainly relates to Norwegian Krone, Canadian dollars, Pound Sterling and Euro. To manage this exposure, the Crystal Group Companies takes advantage of any natural offset of foreign currency revenues and expenses.

Crystal Group Companies did not have any formal hedging policies and no financial instrument was used for hedging purpose.

Contingent liabilities

As at 31 March 2014, the Crystal Group Companies did not have any material contingent liabilities.

(iii) For the Year Ended 31 March 2013**Liquidity, financial resources and capital commitment**

As at 31 March 2013, Crystal Group Companies had cash and cash equivalents of US\$13.3 million mainly held in US dollars and Norwegian Krone. It was in a net cash position as it did not have any loans and borrowings.

Crystal Cruises participated in a cash pooling arrangement with its related companies in order to utilise cash efficiently. Each related company maintained an account with a bank from which all surplus cash was swept on a daily basis. The cash pooling balance was included in due from/to related companies.

As at 31 March 2013, Crystal Group Companies did not have any capital commitments in respect of the acquisition of property, plant and equipment.

Significant investments and segmental information

Crystal Group Companies continues to focus on its cruise business which offers various cruise itineraries worldwide.

During the period under review, the Crystal Group Companies did not hold any significant investment.

Material acquisitions and disposals

Crystal Group Companies did not have any significant acquisition or disposal of any subsidiary or associated company.

Employees and remuneration policies

As at 31 March 2013, the Crystal Group Companies had approximately 1,668 employees, consisting of approximately 1,466 shipbased officers and crew as well as approximately 202 staffs employed in the various world-wide offices of the Crystal Group Companies.

Crystal Cruises maintained (i) a non-contributory defined benefit pension plan, Crystal Cruises Pension Plan (“Pension Plan”) and (ii) a supplemental retirement plan for certain executive management who participated in the Pension Plan, (“SERP”).

The Pension Plan was a funded plan which covered all full time employees age over 21 and with at least one year of service as defined in the plan document. Crystal Cruises funded the plan in accordance with the terms of the plan and statutory requirements. The retirement benefit payment was fixed and payable monthly based on the average compensation and the number of years of service.

SERP was an unfunded plan which covered certain executive management whose benefits under the Pension Plan was statutorily limited.

For the year ended 31 March 2013, there was no significant change in the remuneration policies for Crystal Group Companies.

Charges on assets

During the period under review, the Crystal Group Companies did not have any charges on assets.

Future plans for material investments or capital assets

During the period under review, the Crystal Group Companies did not have any future plans for material investments or capital assets .

Gearing ratio

Crystal Group Companies was in a net cash position of US\$13.3 million as at 31 March 2013. The gearing ratio is defined as net debt divided by total equity, which was not applicable for the year ended 31 March 2013.

Exposure to fluctuations in exchange rates and related hedges

Crystal Group Companies adopts a prudent treasury policy with all financing and treasury activities managed and controlled at its corporate head office. It is exposed to foreign currency exchange rate fluctuations on the U.S. dollar value of foreign currency denominated forecasted transactions. The principal net foreign currency exposure mainly relates to Norwegian Krone, Canadian dollars, Pound Sterling and Euro. To manage this exposure, the Crystal Group Companies takes advantage of any natural offset of foreign currency revenues and expenses.

Crystal Group Companies did not have any formal hedging policies and no financial instrument was used for hedging purpose.

Contingent liabilities

As at 31 March 2013, the Crystal Group Companies did not have any material contingent liabilities.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and the Chief Executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be entered into the register pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, or in accordance with information received by the Company, were as follows:

2.1 Interests in the issued Shares

Name of Director	Nature of interests/capacity in which such interests were held					Percentage of issued Shares
	Beneficial owner	Interests of spouse	Interests of controlled corporation	Founder/ Beneficiary of discretionary trusts	Total	
	Number of issued Shares (Notes)					
Tan Sri Lim	368,643,353	36,298,108 (1)	1,487,453,288 (2)	6,003,571,032 (3) and (4)	6,408,512,493 (5)	75.55
Mr. Lim Keong Hui (6)	—	—	—	6,003,571,032 (3) and (4)	6,003,571,032	70.78
Mr. Justin Tan Wah Joo	968,697 (7)	968,697 (7)	—	—	968,697 (5)	0.01

Notes:

As at the Latest Practicable Date:

- (1) Tan Sri Lim had a family interest in the same block of 36,298,108 Shares directly held by Goldsfine Investments Ltd. (“Goldsfine”) in which his wife, Puan Sri Wong Hon Yee had a corporate interest.

- (2) Tan Sri Lim was also deemed to have a corporate interest in 1,487,453,288 Shares (comprising (i) the same block of 36,298,108 Shares directly held by Goldsfine in which each of Tan Sri Lim and Puan Sri Wong Hon Yee held 50% of its issued share capital; and (ii) the same block of 1,431,059,180 Shares directly held by Resorts World Limited (“RWL”) and the same block of 20,096,000 Shares directly held by Genting Overseas Holdings Limited (“GOHL”) by virtue of his interests in a chain of corporations holding RWL and GOHL (details of the percentage interests in such corporations were set out in the section headed “Interests of Substantial Shareholders” below)).
- (3) Tan Sri Lim as founder and a beneficiary of two discretionary trusts (trustees of which are Parkview Management Sdn Bhd and First Names Trust Company (Isle of Man) Limited respectively) and Mr. Lim Keong Hui also as a beneficiary of these two discretionary trusts, had a deemed interest in the same block of 6,003,571,032 Shares.
- (4) Out of the same block of 4,552,415,852 Shares held directly and indirectly by Golden Hope as trustee of GHUT, 1,100,000,000 Shares are pledged Shares.
- (5) There was no duplication in arriving at the total interest.
- (6) Mr. Lim Keong Hui is a son of Tan Sri Lim.
- (7) These shares were jointly held by Mr. Justin Tan Wah Joo and his wife.
- (8) All the above interests represented long positions in the Shares and excluded those in the underlying Shares held through share options, convertible bonds or other equity derivatives, if any. Interests of the Director, Tan Sri Lim, set out in this subsection 2.1 need to be aggregated with his interests in the underlying Shares held through share options, convertible bonds or other equity derivatives of the Company set out in subsection 2.2 below in order to give the total interests of the Director in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

2.2 Interests in the underlying Shares held through share options, convertible bonds or other equity derivatives

Share options were granted to a Director under the share option scheme adopted by the Company on 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002) (the “Post-listing Employee Share Option Scheme”).

As at the Latest Practicable Date, the Director had personal interests in the following underlying Shares held through share options granted under the Post-listing Employee Share Option Scheme:

<u>Name of Director</u>	<u>Number of underlying Shares</u>	<u>Percentage of issued Shares</u>	<u>Capacity in which such interests were held</u>
Tan Sri Lim	7,000,000	0.083	Beneficial owner

Further details of share options granted to the Director under the Post-listing Employee Share Option Scheme are set out in the subsection 2.4 below.

These interests in share options represented long positions in the underlying Shares in respect of physically settled derivatives of the Company. Interests of the Director, Tan Sri Lim, set out in this subsection 2.2, need to be aggregated with his interests in the Shares set out in subsection 2.1 above in order to give the total interests of the Director in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

2.3 Interests in the shares of associated corporations of the Company

		Nature of interests/capacity in which such interests were held					
Name of associated corporation	Name of Director	Beneficial Owner	Interests of spouse	Interests of controlled corporation	Founder/	Total	Percentage of issued ordinary/common shares
					Beneficiary of discretionary trusts		
Number of ordinary/common shares (Notes)							
Starlet Investments Pte. Ltd. ("Starlet") (1)	Tan Sri Lim	—	250,000 (2)	250,000 (3)	250,000 (4)	500,000 (15) and (16)	100
SC Alliance VIP World Philippines, Inc. ("SC Alliance") (5)	Tan Sri Lim	—	2,000 (6)	2,000 (7)	2,000 (8)	2,000 (15) and (16)	100
Star Cruises Hong Kong Management Services Philippines, Inc. ("SCHKMS") (9)	Tan Sri Lim	—	5,000 (10)	5,000 (11)	5,000 (12)	5,000 (15) and (16)	100
Travellers International Hotel Group, Inc. ("Travellers") (13)	Mr. Lim Keong Hui	1,910,000	—	—	9,203,350,000 (14)	9,205,260,000 (16)	58.42

Notes:

As at the Latest Practicable Date:

- (1) Starlet was a company in which each of a subsidiary of the Company and International Resort Management Services Pte. Ltd. ("IRMS") had a 50% interest. IRMS was owned as to 80% by Tan Sri Lim and 20% by his spouse, Puan Sri Wong Hon Yee.
- (2) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim had a family interest in 250,000 ordinary shares of Starlet directly held by IRMS in which Puan Sri Wong Hon Yee had a 20% interest.
- (3) Tan Sri Lim was deemed to have a corporate interest in 250,000 ordinary shares of Starlet directly held by IRMS.
- (4) As founder and a beneficiary of a discretionary trust, Tan Sri Lim had a deemed interest in 250,000 ordinary shares of Starlet.

- (5) SC Alliance had two classes of issued shares, namely the common shares and the series A preferred shares. All the issued common shares in SC Alliance were held by Starlet.
- (6) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim had a family interest in 2,000 common shares of SC Alliance directly held by Starlet in which IRMS had a 50% interest, IRMS was in turn owned as to 20% by Puan Sri Wong Hon Yee.
- (7) Tan Sri Lim was deemed to have a corporate interest in 2,000 common shares of SC Alliance directly held by Starlet in which IRMS had a 50% interest.
- (8) As founder and a beneficiary of a discretionary trust, Tan Sri Lim had a deemed interest in 2,000 common shares of SC Alliance.
- (9) SCHKMS was owned as to (i) 60% by SC Alliance; and (ii) 40% by Starlet.
- (10) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim had a family interest in 5,000 ordinary shares of SCHKMS directly and indirectly held by Starlet in which IRMS had a 50% interest, IRMS was in turn owned as to 20% by Puan Sri Wong Hon Yee.
- (11) Tan Sri Lim was deemed to have a corporate interest in 5,000 ordinary shares of SCHKMS comprising (i) 3,000 ordinary shares directly held by SC Alliance; and (ii) 2,000 ordinary shares directly held by Starlet.
- (12) As founder and a beneficiary of a discretionary trust, Tan Sri Lim had a deemed interest in 5,000 ordinary shares of SCHKMS.
- (13) Travellers had two classes of issued shares, namely the common shares and the preferred B shares. Following initial listing of the common shares of Travellers on the Main Board of The Philippine Stock Exchange, Inc. on 5 November 2013 and the exercise of the over-allotment option by the stabilising agent on 4 December 2013 to purchase 23,645,600 common shares, the Company's effective interest in the common shares of Travellers has been diluted from 50% to 44.93% . The Company's effective interest in the preferred B shares of Travellers remains unchanged at 50% following the listing.
- (14) As a beneficiary of a discretionary trust, Mr. Lim Keong Hui had a deemed interest in 9,203,350,000 common shares of Travellers.
- (15) There was no duplication in arriving at the total interest.
- (16) These interests represented long positions in the shares of the relevant associated corporations of the Company.
- (17) Tan Sri Lim held qualifying shares in certain associated corporations of the Company on trust for a subsidiary of the Company.

2.4 Share Options

Details of the Company's Post-listing Employee Share Option Scheme are set out in the published annual report of the Company for the year ended 31 December 2014. The Post-listing Employee Share Option Scheme has expired on 29 November 2010 whereupon no further options can be granted under the scheme but the outstanding options remain exercisable subject to the terms and conditions of the respective grants and the provisions of the scheme. Details of the outstanding share options granted to the Director and the employees of the Group under the Post-listing Employee Share Option Scheme as at the Latest Practicable Date were as follows:

Post-listing Employee Share Option Scheme

	<u>Date granted</u>	<u>Exercise price per Share</u>	<u>Exercisable period</u>	Number of share options outstanding at the Latest Practicable Date
Director				
Tan Sri Lim	27/05/2008	HK\$ 1.7800	28/05/2009 — 27/05/2018	<u>7,000,000</u>
				<u>7,000,000</u>
All other employees				
	27/05/2008	HK\$1.7800	28/05/2009 — 27/05/2018	2,525,000
	16/11/2010	HK\$3.7800	16/11/2011 — 15/11/2020	<u>10,350,000</u>
				<u>12,875,000</u>
Grand Total				<u>19,875,000</u>

The share options under the Post-listing Employee Share Option Scheme granted on (i) 27 May 2008 vest in five tranches over a period of ten years from the date of offer and become exercisable annually in equal tranches of 20% of the amount granted commencing in each of the five years from 2009 to 2013; and (ii) 16 November 2010 vest in five tranches over a period of ten years from the date of offer and become exercisable annually in equal tranches of 20% of the amount granted commencing in each of the five years from 2011 to 2015. All the share options under the Post-listing Employee Share Option Scheme are subject to further terms and conditions set out in the relevant offer letters and provisions of the Post-listing Employee Share Option Scheme.

Save as disclosed above and in the section headed “Interests of Substantial Shareholders” below, as at the Latest Practicable Date, none of the Directors or the Chief Executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, or in accordance with information received by the Company.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors or the Chief Executive of the Company were aware or could ascertain after reasonable enquiry, the following persons, not being a Director or the Chief Executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital:

3.1 Interests in the issued Shares

Name of Shareholder <i>(Notes)</i>	Nature of interests/capacity in which such interests were held					Percentage of issued Shares	
	Beneficial owner	Interests of spouse	Interests of controlled corporation	Trustee	Beneficiary of trust		
							Total
Number of issued Shares <i>(Notes)</i>							
Parkview Management Sdn Bhd (as trustee of a discretionary trust) <i>(1)</i>	—	—	1,451,155,180 <i>(11)</i>	1,451,155,180 <i>(13)</i>	—	1,451,155,180 <i>(22)</i>	17.11
Kien Huat International Limited <i>(2)</i>	—	—	1,451,155,180 <i>(11)</i>	—	—	1,451,155,180	17.11
Kien Huat Realty Sdn. Berhad <i>(3)</i>	—	—	1,451,155,180 <i>(11)</i>	—	—	1,451,155,180	17.11
Genting Berhad <i>(4)</i>	—	—	1,451,155,180 <i>(11)</i>	—	—	1,451,155,180	17.11
Genting Malaysia Berhad <i>(5)</i>	—	—	1,431,059,180 <i>(12)</i>	—	—	1,431,059,180	16.87
Sierra Springs Sdn Bhd <i>(6)</i>	—	—	1,431,059,180 <i>(12)</i>	—	—	1,431,059,180	16.87
Resorts World Limited <i>(6)</i>	1,431,059,180	—	—	—	—	1,431,059,180	16.87
First Names Trust Company (Isle of Man) Limited (as trustee of a discretionary trust) <i>(7)</i>	—	—	4,552,415,852 <i>(14)</i>	4,552,415,852 <i>(16)</i>	4,552,415,852 <i>(18)</i>	4,552,415,852 <i>(22)</i>	53.67
Cove Investments Limited <i>(8)</i>	—	—	—	—	4,552,415,852 <i>(19)</i>	4,552,415,852	53.67

APPENDIX V

GENERAL INFORMATION

Name of Shareholder <i>(Notes)</i>	Nature of interests/capacity in which such interests were held					Total	Percentage of issued Shares
	Beneficial owner	Interests of spouse	Interests of controlled corporation	Trustee	Beneficiary of trust		
Number of issued Shares <i>(Notes)</i>							
Golden Hope (as trustee of GHUT) <i>(9)</i>	—	—	546,628,908 <i>(15)</i>	4,552,415,852 <i>(17) and (21)</i>	—	4,552,415,852 <i>(22)</i>	53.67
Joondalup <i>(10)</i>	546,628,908	—	—	—	—	546,628,908	6.44
Puan Sri Wong Hon Yee	—	6,408,512,493 <i>(20(a))</i>	36,298,108 <i>(20(b))</i>	—	—	6,408,512,493 <i>(22)</i>	75.55

Notes:

As at the Latest Practicable Date:

- (1) Parkview Management Sdn Bhd (“Parkview”) was a trustee of a discretionary trust (the “Discretionary Trust 1”), the beneficiaries of which were Tan Sri Lim, Mr. Lim Keong Hui and certain other members of Tan Sri Lim’s family. Tan Sri Lim controlled an aggregate of 33.33% of the equity interest in Parkview directly and indirectly. Tan Sri Lim is the father of Mr. Lim Keong Hui.
- (2) Kien Huat International Limited (“KHI”) was a private company, the voting shares of which were wholly-owned by Parkview as trustee of the Discretionary Trust 1.
- (3) Kien Huat Realty Sdn. Berhad (“KHR”) was a private company, the voting shares of which were wholly-owned by KHI.
- (4) Genting Berhad (“GENT”) was a company listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) of which KHR controlled 39.75% of its equity interest carrying voting power.
- (5) Genting Malaysia Berhad (“GENM”) was a company listed on the Main Market of Bursa Malaysia of which GENT controlled 49.31% of its equity interest.
- (6) Resorts World Limited (“RWL”) was a subsidiary of Sierra Springs Sdn Bhd (“Sierra Springs”) and both of them were wholly-owned subsidiaries of GENM.
- (7) First Names Trust Company (Isle of Man) Limited (“First Names”) was the trustee of a discretionary trust (the “Discretionary Trust 2”), the beneficiaries of which were Tan Sri Lim, Mr. Lim Keong Hui and certain other members of Tan Sri Lim’s family. First Names as trustee of the Discretionary Trust 2 held 99.99% of the units in GHUT, a private unit trust directly and 0.01% of the units in GHUT indirectly through Cove (as defined below).
- (8) Cove Investments Limited (“Cove”) was wholly-owned by First Names as trustee of the Discretionary Trust 2.
- (9) Golden Hope was the trustee of GHUT.
- (10) Joondalup was wholly-owned by Golden Hope as trustee of GHUT.
- (11) Each of Parkview as trustee of the Discretionary Trust 1, KHI, KHR and GENT had a corporate interest in 1,451,155,180 Shares (comprising the same block of 1,431,059,180 Shares held directly by RWL and the same block of 20,096,000 Shares held directly by Genting Overseas Holdings Limited (“GOHL”), a wholly-owned subsidiary of GENT).

- (12) Each of GENM and Sierra Springs had a corporate interest in the same block of 1,431,059,180 Shares held directly by RWL.
- (13) The interest in 1,451,155,180 Shares was held by Parkview in its capacity as trustee of the Discretionary Trust 1 and it comprised the same block of 1,431,059,180 Shares held directly by RWL and the same block of 20,096,000 Shares held directly by GOHL.
- (14) First Names as trustee of the Discretionary Trust 2 had a corporate interest in the same block of 4,552,415,852 Shares held directly and indirectly by Golden Hope as trustee of GHUT (comprising 4,005,786,944 Shares held directly by Golden Hope as trustee of GHUT and 546,628,908 Shares held indirectly through Joondalup).
- (15) Golden Hope as trustee of GHUT had a corporate interest in the same block of 546,628,908 Shares held directly by Joondalup.
- (16) First Names in its capacity as trustee of the Discretionary Trust 2 had a deemed interest in the same block of 4,552,415,852 Shares held directly and indirectly by Golden Hope as trustee of GHUT (comprising 4,005,786,944 Shares held directly by Golden Hope as trustee of GHUT and 546,628,908 Shares held indirectly through Joondalup).
- (17) The interest in 4,552,415,852 Shares was held directly and indirectly by Golden Hope in its capacity as trustee of GHUT (comprising 4,005,786,944 Shares held directly by Golden Hope as trustee of GHUT and 546,628,908 Shares held indirectly through Joondalup).
- (18) First Names as trustee of the Discretionary Trust 2 was deemed to have interest in the same block of 4,552,415,852 Shares held directly and indirectly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.
- (19) Cove which held 0.01% of the units in GHUT was deemed to have interest in the same block of 4,552,415,852 Shares held directly and indirectly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.
- (20)
 - (a) Puan Sri Wong Hon Yee as the spouse of Tan Sri Lim, had a family interest in the same block of 6,408,512,493 Shares in which Tan Sri Lim had a deemed interest. These interests did not include the deemed interests of Puan Sri Wong Hon Yee in the underlying Shares of the Company through share options held personally by Tan Sri Lim and need to be aggregated with such interests set out in subsection 3.2 below to give the total interests of Puan Sri Wong Hon Yee pursuant to the SFO.
 - (b) Puan Sri Wong Hon Yee also had a corporate interest in 36,298,108 Shares held directly by Goldsfine by holding 50% of its equity interest.
- (21) Out of the same block of 4,552,415,852 Shares held directly and indirectly by Golden Hope as trustee of GHUT, 1,100,000,000 Shares are pledged Shares.
- (22) There was no duplication in arriving at the total interest.
- (23) All the above interests represented long positions in the Shares and excluded those in the underlying Shares held through share options, convertible bonds or other equity derivatives, if any.

3.2 Interests in the underlying Shares held through share options, convertible bonds or other equity derivatives

<u>Name of shareholder</u>	<u>Number of underlying Shares</u>	<u>Percentage of issued Shares</u>	<u>Nature of the Interest</u>
Puan Sri Wong Hon Yee	7,000,000 ^(Note)	0.083	Interests of spouse

Note: As at the Latest Practicable Date, Puan Sri Wong Hon Yee as the spouse of Tan Sri Lim, was deemed to have a family interest in 7,000,000 underlying Shares by virtue of the share options granted to Tan Sri Lim under the Post-listing Employee Share Option Scheme. These interests represented long positions in the underlying Shares in respect of physically settled derivatives of the Company and need to be aggregated with her interests set out in subsection 3.1 above to give her total interests pursuant to the SFO.

3.3 Interests in other members of the Group

<u>Name of subsidiary</u>	<u>Name of Shareholder</u>	<u>Number of shares held</u>	<u>Holding percentage</u>
Macau Land Investment Corporation	World Arena Corporation	15 ordinary shares	15%
	Silverland Concept Corporation	10 ordinary shares	10%
GAM International Limited*	Admares Holding GmbH	1,000 ordinary shares	25%

* The Group has entered into a share sale and purchase agreement with Admares Holding GmbH, pursuant to which the Group has agreed to transfer 75% of the shareholding interest in GAM International Limited to Admares Holding GmbH. Upon completion, which has not taken place as of the Latest Practicable Date, Admares Holding GmbH will own 100% of shareholding interest in GAM International Limited.

Save as disclosed in this circular and so far as the Directors or Chief Executive of the Company were aware, as at the Latest Practicable Date, there were no other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital.

Save as disclosed below, as at the Latest Practicable Date, no other Directors are directors or employees of substantial shareholders listed in the section headed “Interests of Substantial Shareholders” above:

Name of Director	Title	Company
Tan Sri Lim	Chairman and Chief Executive	Genting Berhad
	Chairman and Chief Executive	Genting Malaysia Berhad
	Director	Parkview Management Sdn Bhd
	Director	Kien Huat International Limited
	Director	Kien Huat Realty Sdn. Berhad
	Director	Sierra Springs Sdn Bhd
	Director	Resorts World Limited
	Director	Cove Investments Limited
	Director	Golden Hope
Mr. Lim Keong Hui	Director	Joondalup
	Non-Independent Executive Director, Executive Director — Chairman’s Office and Chief Information Officer	Genting Berhad
	Non-Independent Executive Director and Chief Information Officer	Genting Malaysia Berhad
	Director	Kien Huat International Limited
	Director	Kien Huat Realty Sdn. Berhad

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into any service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS’ INTERESTS IN ASSETS AND CONTRACTS OF THE ENLARGED GROUP

- On 20 December 2013, Star Cruises (HK) Limited (“SCHK”, an indirect wholly-owned subsidiary of the Company) as tenant entered into a tenancy agreement with Rich Hope Limited (“Rich Hope”, a company in which Tan Sri Lim and his wife each has an attributable interest as to 50%) as landlord for renewal of the lease of an apartment in Hong Kong for a term of two years commencing on 1 January 2014 and ending on 31 December 2015. The amount charged by Rich Hope to SCHK in respect of the rental amounted to US\$232,000 and US\$233,000 during the years ended 31 December 2013 and 31 December 2014 respectively.

- (2) On 12 November 2012, Star Cruises (Australia) Pty Ltd (an indirect wholly-owned subsidiary of the Company) as tenant entered into the tenancy agreement with Ambadell Pty Limited (“Ambadell”, a company ultimately wholly-owned by Golden Hope as trustee of the GHUT) as landlord for renewal of the lease of an office area in Australia for a term of three years commencing on 1 September 2012 and ending on 31 August 2015. The amount charged by Ambadell to the Group in respect of the rental amounted to US\$58,000 and US\$57,000 during the years ended 31 December 2013 and 31 December 2014 respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any members of the Enlarged Group since 31 December 2014, the date to which the latest published audited consolidated financial statements of the Group were made up.

None of the Directors is materially interested in any contract or arrangement entered into by any member of the Enlarged Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Enlarged Group.

6. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given their opinion or advice which are contained in this circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Brax Shipping	Valuer, member of BIMCO (the world’s largest international shipping association) and Swedish Ship Brokers Association ¹

Note:

- (1) Brax Shipping was established in 1982 and is experienced in ship valuation, sales and purchase, and long-term charter agreements of cruise vessels and ferries, with a world-wide client base of shipowners, banks and financing institutions.

As at the Latest Practicable Date, each of PricewaterhouseCoopers and Brax Shipping:

- (a) did not have any shareholding, direct or indirect, in any member of the Enlarged Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group;
- (b) did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any members of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any members of the Enlarged Group since 31 December 2014, being the date up to which the latest published audited financial statements of the Group were made up; and

- (c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of to its report letter and/or opinion (as the case may be) and references to its name in the form and context in which they are included.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Enlarged Group within the two years preceding the date of this circular and are or may be material:

- (1) A lock-up agreement dated 7 August 2013 between Star NCLC, UBS Securities LLC (“UBS Securities”) and Barclays Capital Inc. (“Barclays”) under which Star NCLC had undertaken, subject to certain exceptions, not to, without the prior written consents of UBS Securities and Barclays, sell, offer or contract or agree to sell, pledge, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of directly or indirectly or file a registration statement with the U.S. Securities and Exchange Commission in respect of any ordinary shares of NCLH for a period of 60 days after 8 August 2013.
- (2) An underwriting agreement dated 8 August 2013 between (i) Star NCLC and the other Selling Shareholders (as defined in the underwriting agreement) and (ii) UBS Securities and Barclays under which Star NCLC agreed to sell to UBS Securities and Barclays on behalf of other underwriters a total of 11,500,000 NCLH Shares (including an option to purchase up to an additional 1,500,000 NCLH Shares) at the offer price of US\$29.75 per NCLH Share with an underwriting discount and commission of 3.25%.
- (3) The shipbuilding contract dated 7 October 2013 between Meyer Werft GMBH as builder, Chinese Dream Limited (an indirect wholly-owned subsidiary of the Company) as buyer and the Company (as guarantor for the obligations of the buyer thereunder) in relation to the construction and delivery of a passenger cruise vessel at a contract price of €707.2 million.
- (4) Lock-up undertakings dated 5 November 2013 between CIMB Securities (Singapore) Pte. Ltd. (“CIMB”), Maybank Kim Eng Securities Pte. Ltd. (“Maybank”), Merrill Lynch (Singapore) Pte. Ltd. (“ML”), Religare Capital Markets (Singapore) Pte. Limited (“Religare”) and UBS AG, Hong Kong Branch (“UBS”), on behalf of the underwriters in the initial public offering of the common shares of Travellers (the “Travellers IPO”), and, respectively, Asian Travellers, Ltd., Premium Travellers Ltd., and Star Cruises Philippines Holdings B.V. (each a wholly-owned subsidiary of the Company) (the “GHK Entities”) pursuant to which the GHK Entities severally agreed that, for a period of 180 days after 5 November 2013, without the prior written consent of CIMB, Maybank, ML, Religare and UBS, the GHK Entities and any person acting on their behalf will not: (a) sell, offer or contract or agree to sell, mortgage, charge, pledge, hypothecate, grant any option to purchase, or otherwise transfer or dispose, or contract or agree to transfer or dispose, any common shares or other securities of Travellers; (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic

consequences of ownership of any common shares of Travellers held by the GHK Entities; (c) enter into any transaction with the same economic benefit as any transaction specified in (a) or (b) above; or (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above.

- (5) A lock-up agreement dated 2 December 2013 between Star NCLC, UBS Securities and Barclays under which Star NCLC had undertaken, subject to certain exceptions, not to, without the prior written consents of UBS Securities and Barclays, sell, offer or contract or agree to sell, pledge, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of directly or indirectly or file a registration statement with the U.S. Securities and Exchange Commission in respect of any ordinary shares of NCLH for a period of 60 days after 3 December 2013.
- (6) An underwriting agreement dated 3 December 2013 between (i) Star NCLC and the other Selling Shareholders (as defined in the underwriting agreement) and (ii) UBS Securities and Barclays under which Star NCLC agreed to sell to UBS Securities and Barclays on behalf of other underwriters a total of 12,650,000 NCLH Shares (including an option to purchase up to an additional 1,650,000 NCLH Shares) at the offer price of US\$33.25 per NCLH Share with an underwriting discount and commission of 3.25%.
- (7) A shipbuilding contract dated 10 February 2014 between Chinese Percept Limited, an indirect wholly-owned subsidiary of the Company, as buyer, the Company (as guarantor for the obligations of the buyer thereunder) and Meyer Werft GMBH as builder in relation to the construction and delivery of a passenger cruise vessel at a contract price of €697.2 million.
- (8) A lock-up agreement dated 4 March 2014 between Star NCLC and Citigroup Global Markets Inc. (“Citigroup”) under which Star NCLC had undertaken, subject to certain exceptions, not to, without the prior written consents of Citigroup, sell, offer or contract or agree to sell, pledge, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of directly or indirectly or file a registration statement with the U.S. Securities and Exchange Commission in respect of any ordinary shares of NCLH for a period of 60 days after 4 March 2014.
- (9) An underwriting agreement dated 4 March 2014 between (i) Star NCLC and the other Selling Shareholders (as defined in the underwriting agreement) and (ii) Citigroup under which Star NCLC agreed to sell to Citigroup a total of 7,500,000 NCLH Shares at the offer price of US\$32.97 per NCLH Share.
- (10) A subscription and loan agreement dated 18 November 2014 between Pearl Concept Enterprises Limited (“Pearl Concept”), an indirect wholly-owned subsidiary of the Company, Landing International Development Limited and Magical Gains Holdings Limited (“Magical Gains”) whereby Pearl Concept agreed to subscribe for 100 new

ordinary shares (representing 50% of the enlarged issued share capital after completion of the subscription) in Magical Gains and to make available a loan to Magical Gains, for a combined aggregate amount of KRW130,000,000,000 (equivalent to approximately HK\$917.4 million when the agreement was executed).

- (11) The Purchase Agreement.
- (12) A lock-up agreement dated 5 March 2015 between Star NCLC and UBS Securities under which Star NCLC had undertaken, subject to certain exceptions, not to, without the prior written consents of UBS Securities, sell, offer or contract or agree to sell, pledge, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of directly or indirectly or file a registration statement with the U.S. Securities and Exchange Commission in respect of any ordinary shares of NCLH for a period of 45 days after 5 March 2015.
- (13) An underwriting agreement dated 5 March 2015 between (i) NCLH and the other Selling Shareholder (as defined in the underwriting agreement) and (ii) UBS Securities under which Star NCLC agreed to sell to UBS Securities a total of 6,250,000 NCLH Shares at the offer price of US\$50.76 per NCLH Share.
- (14) A lock-up agreement dated 19 May 2015 between Star NCLC and Goldman, Sachs & Co. (“Goldman”) under which Star NCLC had undertaken, subject to certain exceptions, not to, without the prior written consents of Goldman, sell, offer or contract or agree to sell, pledge, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of directly or indirectly or file a registration statement with the U.S. Securities and Exchange Commission in respect of any ordinary shares of NCLH for a period of 45 days after 19 May 2015.
- (15) An underwriting agreement dated 19 May 2015 between (i) NCLH and the other Selling Shareholder (as defined in the underwriting agreement) and (ii) Goldman under which Star NCLC agreed to sell to Goldman a total of 10,000,000 NCLH Shares at the offer price of US\$54.66 per NCLH Share.

8. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Enlarged Group was engaged in any litigation, arbitration or claim of material importance, and there is no litigation or claim of material importance pending or threatened against any member of the Enlarged Group.

The operations of the Cruise Vessels do not contravene any applicable laws of Hong Kong or other jurisdictions where the Cruise Vessels operate.

9. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Tan Sri Lim, the Chairman and Chief Executive Officer of the Company, is the Chairman and Chief Executive, a shareholder and a warrant holder of Genting Berhad ("GENT") as well as the Chairman and Chief Executive, a shareholder and a holder of the rights to participate in performance shares of Genting Malaysia Berhad ("GENM"). GENT and GENM are substantial shareholders of the Company and both are listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the Executive Chairman, a shareholder, a share option holder and a holder of the rights to participate in the performance shares of Genting Singapore PLC ("GENS"), a company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

Mr. Lim Keong Hui, the Executive Director — Chairman's Office and Chief Information Officer of the Company, is also a Non-Independent Executive Director, the Executive Director — Chairman's Office and Chief Information Officer of GENT, and a Non-Independent Executive Director and Chief Information Officer of GENM. He is a holder of the rights to participate in the performance shares of GENM.

GENM is involved in a tourist resort business at Resorts World Genting and its principal activities cover leisure and hospitality services, which comprise gaming, hotel, entertainment and amusement. The principal activities of GENM's subsidiaries include operation of casinos, property development and management, leisure and hospitality services, investments, timeshare ownership scheme, tours and travel related services, provision of sales and marketing services and information technology related services. GENS group's principal activities include the development and operation of integrated resorts, operation of casinos, provision of sales and marketing support services to leisure and hospitality related businesses and investments. As at the Latest Practicable Date, GENT held approximately 49.31% and 52.65% equity interests in GENM and GENS respectively.

The Enlarged Group is principally engaged in the business of cruise and cruise-related operations and leisure, entertainment and hospitality activities.

Tan Sri Lim and Mr. Lim Keong Hui are therefore considered as having interests in business (the "Deemed Competing Business") apart from the Enlarged Group's business, which may compete indirectly with the Enlarged Group's business under paragraph 8.10 of the Listing Rules. The Company's management team is separate and independent from GENT, GENM and GENS. Coupled with the appointment of three Independent Non-executive Directors to the Board, the Enlarged Group is capable of carrying on its business independent of and at arm's length from the Deemed Competing Business.

10. MISCELLANEOUS

- (a) The Company Secretary of the Company is Ms. Louisa Tam Suet Lin, an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. The assistant secretary is Appleby Services (Bermuda) Ltd..
- (b) The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

- (c) The corporate headquarters and principal place of business in Hong Kong of the Company is at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The Bermuda principal registrar of the Company is MUFG Fund Services (Bermuda) Limited located at The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda.
- (e) The Hong Kong branch registrar of the Company is Computershare Hong Kong Investor Services Limited located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the corporate headquarters and principal place of business in Hong Kong of the Company up to and including 7 August 2015:

- (a) the Memorandum of Continuance and Bye-laws of the Company;
- (b) the annual reports of the Company for the years ended 31 December 2012, 31 December 2013 and 31 December 2014;
- (c) the accountant's report of Crystal Cruises from PricewaterhouseCoopers as set out in Appendix II to this circular;
- (d) the report on the unaudited pro-forma financial information of the Enlarged Group from PricewaterhouseCoopers as set out in Appendix III to this circular;
- (e) the valuation report on Crystal Symphony and Crystal Serenity issued by Brax Shipping;
- (f) the material contracts referred to in paragraph 7 of this Appendix;
- (g) the letters of consent from PricewaterhouseCoopers and Brax Shipping referred to in paragraph 6 of this Appendix;
- (h) the circular of the Company dated 5 May 2015 in relation to the disposal mandate in relation to the future disposal of NCLH Shares; and
- (i) this circular.