Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors of Genting Hong Kong Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2013 US$'000 audited	2012 US$'000 audited
Continuing operations			
Turnover	3	554,729	520,381
Operating expenses			
Operating expenses excluding depreciation and amortisation		(385,166)	(297,552)
Depreciation and amortisation		(74,243)	(50,567)
		(459,409)	(348,119)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(122,669)	(102,652)
Depreciation and amortisation		(8,130)	(6,866)
		(130,799)	(109,518)
		(590,208)	(457,637)
		(35,479)	62,744
Share of profit of jointly controlled entities		43,278	162,893
Share of profit of associates		31,291	203
Other (expenses)/income, net	4	(14,903)	1,588
Other gains, net	5	576,254	259
Finance income		13,219	12,032
Finance costs	6	(47,800)	(55,073)
		601,339	121,902
Profit before taxation		565,860	184,646
Taxation	7	(13,909)	(1,313)
Profit for the year from continuing operations		551,951	183,333

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 December 2013 US$'000 audited	2012 US$'000 audited
Profit for the year from continuing operations		551,951	183,333
Discontinued operations			
Profit for the year from discontinued operations	8	-	14,672
Profit for the year		551,951	198,005
Other comprehensive income / (loss):			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(64,097)	25,065
Fair value gain on derivative financial instruments		873	1,761
Fair value loss on available-for-sale investments		(45,193)	(40,656)
Fair value loss transferred to profit or loss		85,712	-
Cash flow hedges transferred to profit or loss		9	(3,013)
Share of other comprehensive income of a jointly controlled entity		-	2,825
Share of other comprehensive income of an associate		3,815	-
Release of reserves upon disposal of equity interest in an associate		2,872	-
Release of reserves upon deemed disposal of jointly controlled entities		(99)	-
Other comprehensive loss for the year		(16,108)	(14,018)
Total comprehensive income for the year		535,843	183,987
Profit attributable to:			
Equity owners of the Company		552,389	198,361
Non-controlling interests		(438)	(356)
		551,951	198,005
Profit attributable to equity owners of the Company arises from:			
Continuing operations		552,389	183,689
Discontinued operations		-	14,672
		552,389	198,361
Total comprehensive income attributable to:			
Equity owners of the Company		536,281	184,343
Non-controlling interests		(438)	(356)
		535,843	183,987
Total comprehensive income attributable to equity owners of the Company arises from:			
Continuing operations		536,281	169,671
Discontinued operations		-	14,672
		536,281	184,343

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 December 2013 US$'000 audited	2012 US$'000 audited
Earnings per share from continuing and discontinued operations attributable to equity owners of the Company			
- Basic (US cents)			
Continuing operations		7.00	2.36
Discontinued operations		-	0.19
	9	7.00	2.55
- Diluted (US cents)			
Continuing operations		6.61	2.28
Discontinued operations		-	0.17
	9	6.61	2.45
Final Dividends	12	80,342	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2013 US$'000 audited	2012 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,042,649	1,015,775
Land use right		1,280	1,281
Interests in jointly controlled entities		27,977	1,367,312
Interests in associates		1,269,261	115
Deferred tax assets		50	135
Available-for-sale investments		157,090	206,218
Restricted cash		4,380	-
Other assets		60,448	107,068
		2,563,135	2,697,904
CURRENT ASSETS			
Consumable inventories		22,030	12,001
Trade receivables	10	139,362	92,260
Prepaid expenses and other receivables		147,738	171,850
Derivative financial instruments		716	-
Financial assets at fair value through profit or loss		41,949	-
Available-for-sale investments		4,203	16,041
Amounts due from related companies		6,898	3,817
Restricted cash		5,541	5,461
Cash and cash equivalents		935,413	450,683
		1,303,850	752,113
TOTAL ASSETS		3,866,985	3,450,017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December 2013 US$'000 audited	2012 US$'000 audited
EQUITY			
Capital and reserves attributable to the Company's equity owners			
Share capital		803,378	777,249
Reserves:			
Share premium		16,289	13
Contributed surplus		936,823	936,823
Additional paid-in capital		112,183	105,174
Convertible bonds - equity component		3,854	5,929
Foreign currency translation adjustments		(36,134)	29,225
Available-for-sale investments reserve		375	(40,144)
Cash flow hedge reserve		(3,258)	(5,896)
Retained earnings		1,068,768	516,379
		2,902,278	2,324,752
Non-controlling interests		46,908	47,346
TOTAL EQUITY		2,949,186	2,372,098
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		386,066	712,022
Deferred tax liabilities		1,454	36
		387,520	712,058
CURRENT LIABILITIES			
Trade creditors	11	46,952	42,705
Current income tax liabilities		3,101	1,606
Provisions, accruals and other liabilities		102,831	175,280
Current portion of loans and borrowings		360,368	130,402
Derivative financial instruments		-	246
Amounts due to related companies		821	764
Advance ticket sales		16,206	14,858
		530,279	365,861
TOTAL LIABILITIES		917,799	1,077,919
TOTAL EQUITY AND LIABILITIES		3,866,985	3,450,017
NET CURRENT ASSETS		773,571	386,252
TOTAL ASSETS LESS CURRENT LIABILITIES		3,336,706	3,084,156

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL INFORMATION

1. General Information

Genting Hong Kong Limited (the "Company") is an exempted company continued into Bermuda with limited liability and the shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and traded on the GlobalQuote of the Singapore Exchange Securities Trading Limited. The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

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

These audited consolidated financial information has been approved for issue by the Board of Directors on 19 March 2014.

2. Principal Accounting Policies and Basis of Preparation

The audited consolidated financial information, contained in this announcement, has been based on the audited consolidated results of the Group for the year ended 31 December 2013 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The preparation of the audited consolidated financial information in conformity with HKFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The audited consolidated financial information is prepared under the historical cost convention, as modified by the revaluations of certain financial assets and financial liabilities (including derivative financial instruments) which are carried at fair value. In preparing these audited consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2012.

The accounting policies and methods of computation used in the preparation of this audited consolidated financial information are consistent with those used in the annual report for the year ended 31 December 2012, except that the Group has adopted the following new/revised HKAS/HKFRS:

(i) HKAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 July 2012). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This amendment does not have a material impact on the Group's financial information.

(ii) HKFRS 10, 'Consolidated financial statements' (effective from 1 January 2013). The objective of HKFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. The standard defines the principle of control, and establishes controls as the basis for consolidation, and set out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The standard does not have a material impact on the Group's financial information.

(iii) HKAS 27 (revised 2011), 'Separate financial statements' (effective from 1 January 2013). HKAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10. The amendments do not have a material impact on the Group's financial information.

2. Principal Accounting Policies and Basis of Preparation (Continued)

(iv) HKFRS 11, 'Joint arrangements' (effective from 1 January 2013). HKFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The standard does not have a material impact on the Group's financial information.

(v) HKAS 28 (revised 2011), 'Associates and joint ventures' (effective from 1 January 2013). HKAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11. The amendments do not have a material impact on the Group's financial information.

(vi) HKFRS 12, 'Disclosure of interests in other entities' (effective from 1 January 2013). HKFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard does not have a material impact on the Group's financial information.

(vii) HKFRS 13, 'Fair value measurements' (effective from 1 January 2013). HKFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned between HKFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs or US GAAP.

(viii) HKAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2013). These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The amendments do not have a material impact on the Group's financial information.

(ix) HKFRS 7 (Amendment), 'Financial instruments: Disclosures - Offsetting financial assets and financial liabilities' (effective from 1 January 2013). The amendments also require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The amendments do not have a material impact on the Group's financial information.

Apart from the impact mentioned above and certain presentational changes, the adoption of these new/revised HKAS/HKFRS has no significant impact on the Group's financial information. Where necessary, comparative information has been reclassified and expanded from previously reported consolidated financial information to take into account any presentational change made in the annual financial statements or in this set of audited consolidated financial information. In 2013, the Group has presented the loss on disposal of an associate and gain on disposal of available-for-sale investments in other gains, net, instead of other income, which is considered as a more appropriate presentation and comparative figures have been reclassified to conform with current year presentation.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

This announcement does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

There have been no changes in any risk management policies.

3. Turnover and Segment Information

The Group is principally engaged in the operation of passenger cruise ships. Senior management reviews the performance and makes operating decisions and resources allocation based on the Group's internal reports. The Group's business is considered from a cruise operation and a non-cruise operation perspective. Accordingly, two reportable segments namely, cruise and cruise related activities and others are identified.

Cruise and cruise related revenues comprise sales of passenger tickets which include air transportation to and from the cruise ship, gaming revenue and revenues from onboard services and other related services, including food and beverage and entertainment. Other operations of the Group comprise hotel operations and others, none of which are of a significant size to be reported separately.

Charter hire operations were discontinued since June 2012. The segment information reported below does not include any amounts for these discontinued operations, which are described in note 8.

The significant decrease in segment results of cruise and cruise related activities is mainly due to the increase in operating expenses due to the full year operation of m.v. SuperStar Gemini and m.v. Genting World since their deployment in December 2012 and also the significant increase in promotion and marketing expenses and depreciation and amortisation charge in 2013.

The segment information of the Group is as follows:

audited 2013	Cruise and cruise related activities	Others	Total
	US$'000	US$'000	US$'000
Passenger ticket revenue	159,602	-	159,602
Onboard and other revenues	66,859	-	66,859
Gaming revenue	315,706	-	315,706
Others	-	12,562	12,562
Total turnover	542,167	12,562	554,729
Segment results from continuing operations before impairment loss	(33,009)	(2,470)	(35,479)
Share of profit of jointly controlled entities			43,278
Share of profit of associates			31,291
Other expenses, net			(14,903)
Other gains, net			576,254
Finance income			13,219
Finance costs			(47,800)
Profit before taxation			565,860
Taxation			(13,909)
Profit for the year from continuing operations			551,951

3. Turnover and Segment Information (Continued)

audited 2013	Cruise and cruise related activities	Others	Total
	US$'000	US$'000	US$'000
Segment assets	2,370,276	1,496,709	3,866,985
Total assets			3,866,985
Segment liabilities	154,835	13,429	168,264
Loans and borrowings (including current portion)	509,650	236,784	746,434
	664,485	250,213	914,698
Tax liabilities			3,101
Total liabilities			917,799
Capital expenditure	103,599	896	104,495
Depreciation and amortisation of continuing operations	81,032	1,341	82,373

audited 2012	Cruise and cruise related activities	Others	Total
	US$'000	US$'000	US$'000
Passenger ticket revenue	124,665	-	124,665
Onboard and other revenues	48,075	-	48,075
Gaming revenue	341,037	-	341,037
Others	-	6,604	6,604
Total turnover	513,777	6,604	520,381
Segment results from continuing operations	69,149	(6,405)	62,744
Share of profit of jointly controlled entities			162,893
Share of profit of associates			203
Other income, net			1,588
Other gains, net			259
Finance income			12,032
Finance costs			(55,073)
Profit before taxation			184,646
Taxation			(1,313)
Profit for the year from continuing operations			183,333

3. Turnover and Segment Information (Continued)

audited 2012	Cruise and cruise related activities	Others	Total
	US$'000	US$'000	US$'000
Segment assets	2,018,210	1,431,807	3,450,017
Total assets			3,450,017
Segment liabilities	228,436	5,453	233,889
Loans and borrowings (including current portion)	622,764	219,660	842,424
	851,200	225,113	1,076,313
Tax liabilities			1,606
Total liabilities			1,077,919
Capital expenditure	125,004	2,519	127,523
Depreciation and amortisation of continuing operations	56,081	1,352	57,433

No geographical information is shown as the turnover and operating profit of the Group are substantially derived from activities in the Asia-Pacific region.

4. Other (expenses) / income, net

	Year ended 31 December	
	2013 US$'000	2012 US$'000
	audited	audited
Gain on disposal of property, plant and equipment	-	23
Provision of loan receivables from a third party (note(a))	(13,827)	(3,111)
Bad debt recovered from a third party loan	3,111	-
Dividend income on investments	561	1,990
Gain on derivative financial instruments:		
- fuel swaps	-	58
(Loss) / Gain on foreign exchange	(6,771)	2,477
Other income, net	2,023	151
	(14,903)	1,588

Note:

(a) The Group recorded a provision of promissory notes and loan receivables from a third party amounting to US$13.8 million during the year ended 31 December 2013 as the timing of recovery of the outstanding balances is uncertain.

5. Other gains, net

	Year ended 31 December	
	2013	2012
	US$'000	US$'000
	audited	audited
Gain on deemed disposal of jointly controlled entities (note (a))	219,016	-
Gain on disposal of equity interest in an associate (note (b))	451,690	-
Loss on disposal of an associate (note (c))	-	(512)
Gain on disposal of available-for-sale investments	32	771
Impairment loss on available-for-sale investments (note (d))	(85,712)	-
Fair value loss on financial assets (note (e))	(8,772)	-
	576,254	259

Notes:

(a) In January 2013, percentage of ordinary shares of Norwegian Cruise Line Holdings Ltd. ("NCLH") held by the Group was diluted from 50% to approximately 43.4% as a result of the initial public offering ("IPO") of the ordinary shares of NCLH and consequently the Group recorded a gain on deemed disposal of the jointly controlled entity of approximately US$80.4 million. Upon completion of the IPO, NCLH and its subsidiaries ceased to be a jointly controlled entity of the Group and became an associate of the Group.

In November 2013, the Group's effective interest in the common shares of Travellers International Hotel Group, Inc. ("Travellers") was diluted from 50% to approximately 44.9% as a result of the IPO of the common shares of Travellers and consequently it recorded a gain on deemed disposal of the jointly controlled entity of approximately US$138.6 million. Upon completion of the IPO, Travellers ceased to be a jointly controlled entity of the Group and became an associate of the Group.

(b) In August 2013, the Group entered into an underwriting agreement to sell 11.5 million ordinary shares of NCLH at an offering price of US$29.75 per share. As a result of the share disposal, a disposal gain of approximately US$192.6 million to the Group was recorded and the percentage of ordinary shares of NCLH owned by the Group decreased from approximately 43.4% to approximately 37.7%.

In December 2013, the Group entered into another underwriting agreement to further sell down 12.65 million ordinary shares in NCLH at an offering price of US$33.25 per share. As a result of the share disposal, a disposal gain of approximately US$259.1 million to the Group was recorded and the percentage of ordinary shares of NCLH owned by the Group further decreased from approximately 37.5% to approximately 31.4%.

(c) In May 2012, the Group disposed of its entire equity interest in Resorts World Inc Pte. Ltd. for approximately US$7.7 million and recorded a loss on disposal of the associate of approximately US$0.5 million.

(d) The Group completed an assessment of its available-for-sale investments for impairment purposes in December 2013 and determined that the fair value of certain of its equity investments were significantly below its carrying value. Accordingly, for the year ended 31 December 2013, the Group transferred the fair value loss from available-for-sale investment reserve to profit or loss which amounted to US$85.7 million.

(e) The Group recorded a fair value loss of US$8.8 million during the year ended 31 December 2013, being the excess of the carrying value of the cash-settled total return equity swap entered into by a wholly-owned subsidiary of the Group, over its fair value.

6. Finance costs

	Year ended 31 December	
	2013 US$'000	2012 US$'000
	audited	audited
Amortisation of:		
- bank loans arrangement fees and commitment fees	11,209	5,368
Interests on:		
- bank loans and others	17,637	14,096
- convertible bonds	7,990	9,279
- RMB bonds	10,917	10,579
Loans arrangement fees written off	47	15,751
Total finance costs	47,800	55,073

7. Taxation

	Year ended 31 December	
	2013 US$'000	2012 US$'000
	audited	audited
Overseas taxation		
- Current taxation	12,082	1,251
- Deferred taxation	1,418	107
	13,500	1,358
Under / (Over) provision in respect of prior years		
- Current taxation	324	(130)
- Deferred taxation	85	85
	13,909	1,313

The Company, which is domiciled in Bermuda, and the majority of its subsidiaries, are not subject to income tax as their income is mainly derived in international waters or outside taxing jurisdictions. However, the Group has incurred a tax charge, as shown above, based on the income subject to local tax in certain of the jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

8. Discontinued operations

On 1 June 2012, the Group, as seller, entered into a memorandum of agreement with Norwegian Sky, Ltd., buyer nominated by NCL (Bahamas) Ltd., the charterer of m.v. Norwegian Sky, in relation to the disposal of the vessel at a consideration of approximately US$259.3 million. The disposal was completed on 6 June 2012.

The results of the discontinued operations (i.e. charter hire) included in the consolidated statement of comprehensive income and statement of cash flows are set out below.

	2013 US$'000	2012 US$'000
Profit for the year from discontinued operations		
Turnover	-	8,730
Operating expenses	-	(162)
Depreciation	-	(1,794)
	-	6,774
Finance income	-	5
Finance costs	-	-
Gain on disposal of assets constituting the discontinued operations	-	7,893
Profit before tax	-	14,672
Taxation	-	-
Profit for the year from discontinued operations	-	14,672
Cash flows from discontinued operations		
Operating activities		
Net cash inflows from operating activities	-	8,573
Investing activity		
Receipts of deferred consideration / Proceeds from disposal of assets	116,694	50,000
Net cash inflows	116,694	58,573

9. Earnings per share

Earnings per share is computed as follows:

	Year ended 31 December 2013 US$'000 audited	Year ended 31 December 2012 US$'000 audited
BASIC		
Profit attributable to equity owners of the Company from continuing operations	552,389	183,689
Profit attributable to equity owners of the Company from discontinued operations	-	14,672
Earnings attributable to equity owners of the Company for the year	552,389	198,361
Weighted average outstanding ordinary shares, in thousands	7,890,631	7,772,340
Basic earnings per share from continuing operations in US cents	7.00	2.36
Basic earnings per share from discontinued operations in US cents	-	0.19
Basic earnings per share for the year in US cents	7.00	2.55
DILUTED		
Profit attributable to equity owners of the Company from continuing operations	552,389	183,689
Profit attributable to equity owners of the Company from discontinued operations	-	14,672
Earnings attributable to equity owners of the Company for the year	552,389	198,361
Interest expense on convertible bonds	7,990	9,281
Earnings used to determine diluted earnings per share	560,379	207,642
Weighted average outstanding ordinary shares, in thousands	7,890,631	7,772,340
Effect of dilutive ordinary shares, in thousands:		
- options	10,017	13,423
- convertible bonds	581,931	685,841
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,482,579	8,471,604
Diluted earnings per share from continuing operations in US cents	6.61	2.28
Diluted earnings per share from discontinued operations in US cents	-	0.17
Diluted earnings per share for the year in US cents	6.61	2.45

10. Trade Receivables

	As at 31 December	
	2013	2012
	US$'000	US$'000
	audited	audited
Trade receivables	140,668	95,428
Less: Provisions	(1,306)	(3,168)
	139,362	92,260

The ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2013	2012
	US$'000	US$'000
	audited	audited
Current to 30 days	100,179	53,851
31 days to 60 days	1,406	3,898
61 days to 120 days	3,747	23,446
121 days to 180 days	5,832	8,559
181 days to 360 days	21,681	3,495
Over 360 days	7,823	2,179
	140,668	95,428

Credit terms generally range from payment in advance to 45 days credit (31 December 2012: payment in advance to 45 days).

Receivables amounting to US$39.6 million (2012: US$0.8 million) are secured by the underlying pledged securities and bears interest ranging from 5% to 8% (2012: 5.5% to 8.0%) per annum.

11. Trade Creditors

The ageing analysis of trade creditors is as follows:

	As at 31 December	
	2013	2012
	US$'000	US$'000
	audited	audited
Current to 60 days	28,827	35,516
61 days to 120 days	8,091	4,412
121 days to 180 days	1,316	642
Over 180 days	8,718	2,135
	46,952	42,705

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2012: no credit to 45 days).

12. Final Dividends

A final dividend in respect of the year ended 31 December 2013 of US$0.01 per ordinary share (2012: Nil) amounting to a total dividend of approximately US$80,342,000 is recommended by the Directors at a meeting held on 19 March 2014, which will be payable subject to shareholders' approval at the 2014 annual general meeting of the Company. The proposed final dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2014. The Company will make further announcement on the record date, closure of registers of members and payment date in respect of the shareholders' entitlement to the said recommended final dividend.

BUSINESS REVIEW

The below commentary is prepared based on the comparison of results for 2013 and 2012 of the Group.

Key points for 2013 in comparison with 2012:

- Group profit of US$552.0 million for 2013, the best in the Group's history, representing an increase of 178.8% compared to US$198.0 million for 2012

- Gains on deemed disposal of US$80.4 million and US$138.6 million in connection with the initial public offering ("IPO") of Norwegian Cruise Line Holdings Ltd. ("NCLH" or "Norwegian") and Travellers International Hotel Group, Inc. ("Travellers"), respectively

- Gains on disposal totalled US$451.7 million in connection with two secondary offerings of ordinary shares of NCLH, that generated a total of US$737.9 million net sale proceeds, of which US$683.9 million has been received by the Group during 2013

- Revenue of US$554.7 million in 2013, up 6.6% from full year 2012, as a result of growth in both passenger ticket revenue and onboard and other revenue, partially offset by a decrease in gaming revenue

- Star Cruises capacity days in 2013 increased 22.9% to approximately 2.6 million, mainly due to the full-year operation of m.v. SuperStar Gemini ("Gemini") and m.v. Genting World ("GWO") in 2013

- Share of profit of our interest in NCLH totalled US$38.0 million in 2013, compared to US$81.5 million in 2012, primarily due to one-off expenses related to early repayment of debts pursuant to NCLH's IPO and reduction of the percentage of ordinary shares of NCLH held by the Group to approximately 31.4% during 2013

- Share of profit of our interest in Travellers totalled US$31.2 million in 2013, compared to US$78.0 million in 2012, primarily due to weaker luck factor in relation to the gaming revenue and increase in operation expenses at Travellers and reduction of the Group's effective interest in the common shares of Travellers to approximately 44.9% during 2013

- Retained earnings of Genting Hong Kong Limited at Company level has increased from US$132.3 million in 2012 to US$913.3 million in 2013, mainly due to the reversal of previous impairment of US$550.0 million in relation to its investment in a wholly-owned subsidiary, Star NCLC Holdings Ltd.

- The Board of Directors has recommended a maiden final dividend of US$0.01 per ordinary share for 2013, which will be payable subject to shareholders' approval at the 2014 Annual General Meeting of the Company

Turnover

The Group reported revenue of US$554.7 million for the year ended 31 December 2013, a 6.6% growth from that of 2012. Passenger ticket revenue and onboard and other revenue increased 28.0% and 39.1% to US$159.6 million and US$66.9 million, respectively, in 2013 mainly due to higher capacity days coupled with an improvement in occupancy. In 2013, Gemini and GWO had a full-year operation, which contributed to the increase in the capacity days despite routine dry-docks of the Group's other vessels, namely m.v. Star Pisces, m.v. SuperStar Aquarius and m.v. SuperStar Libra. Gaming revenue decreased 7.4% to US$315.7 million in 2013 due to a weaker overall luck factor notwithstanding a strong year-on-year growth in drop.

Operating Cost and Expenses

Total operating costs and expenses, excluding depreciation and amortization, was US$507.8 million in 2013 compared to US$400.2 million in 2012, an increase of 26.9% primarily due to the full-year operation of Gemini and GWO, and higher marketing and promotion expenses in connection with the Group's 20th anniversary celebrations and Gemini's first-year homeport deployment in Shanghai. Operating costs and expenses, excluding fuel expenses and depreciation and amortization, increased 29.7% to US$440.5 million but increased only 5.5% on a per-capacity-day basis compared to that of 2012.

Fuel expenses, included in operating costs and expenses, grew 11.3% to US$67.3 million due to higher fuel consumption as a result of an increase in capacity days, offset by a 3.2% decrease in average fuel price. In 2013, Star Cruises' average fuel price per metric ton, net of hedges, was US$663 compared to US$685 in 2012.

Total depreciation and amortization expenses increased 43.4% to US$82.4 million in 2013, primarily due to the US$62.3 million refurbishment of Gemini and GWO incurred in late 2012 as well as depreciation of capitalized costs associated with the routine dry-dock of three vessels completed in the first quarter of 2013.

EBITDA

The Group's EBITDA for 2013 was US$46.9 million, compared to US$120.2 million (excluding discontinued operations) for 2012.

Share of Profits of Jointly Controlled Entities ("JCE") and Associates

Share of profit of our interest in NCLH totalled US$38.0 million in 2013, compared to US$81.5 million in 2012, primarily due to one-off expenses related to early repayment of debts pursuant to NCLH's IPO and reduction of the percentage of ordinary shares in NCLH held by the Group. NCLH was accounted for as a JCE of the Group during 2012 and until the completion of its IPO on 24 January 2013, and thereafter as an associate in 2013.

Share of profit of our interest in Travellers totalled US$31.2 million in 2013, compared to US$78.0 million in 2012, primarily due to weaker luck factor in relation to the gaming revenue, increase in operating expenses at Travellers and reduction of the Group's effective interest in the common shares of Travellers. Travellers was accounted for as a JCE of the Group during 2012 and until the completion of its IPO on 5 November 2013, and thereafter as an associate in 2013.

Share of profits of other JCEs and associates amounted to US$5.4 million in 2013 compared to US$3.6 million in 2012.

Other (Expenses) / Income, net

Net other expenses in 2013 amounted to US$14.9 million compared to US$1.6 million net other income in 2012. In 2013, net other expenses mainly included a US$13.8 million provision of loan receivables from a third party and US$6.8 million foreign exchange loss.

Other Gains, net

Net other gains mainly comprised a US$219.0 million gain on deemed disposal in connection with the IPO of Travellers and NCLH and a US$451.7 million gain on subsequent disposals of NCLH ordinary shares, partially offset by a US$85.7 million impairment loss on certain available-for-sale investments, and a US$8.8 million fair value loss on certain financial assets stated at fair value through profit or loss.

Net Finance Costs

Finance costs, net of finance income, was US$34.6 million in 2013 compared to US$43.0 million, which included a US$15.7 million write-off of loan arrangement fees related to the repayment of certain credit facilities in 2012. Excluding this write-off, net finance cost in 2013 would have increased 26.7%, primarily due to the increase in amortisation of financing fees and loan interest due to higher weighted average interest rates of bank loans.

Profit Before Taxation

Profit before taxation for 2013 was US$565.9 million compared to US$184.6 million (excluding discontinued operations) for 2012.

Profit Attributable To Equity Owners

Profit attributable to equity owners of the Company was US$552.4 million for 2013 compared to US$198.4 million (including discontinued operations) in 2012.

The operating data of the Group is as follows:

	Year ended 31 December 2013	2012
Passenger cruise days	2,007,503	1,509,295
Capacity days	2,589,401	2,106,190
Occupancy as a percentage of total Capacity Days	78%	72%

Liquidity and financial resources

As at 31 December 2013, cash and cash equivalents amounted to US$935.4 million, an increase of US$484.7 million compared with US$450.7 million as at 31 December 2012. The increase in cash and cash equivalents was primarily due to net cash inflow from investing activities, including the net proceeds of US$683.9 million from the disposal of shares in NCLH, US$116.7 million receipts of deferred consideration from disposal of a vessel, and US$64.0 million dividend received from jointly controlled entities and associates. The net cash inflow was partially offset by net cash outflow from operating, financing and investing activities, including US$93.1 million cash outflow from operating activities, US$71.6 million net repayment of loans and borrowings, US$83.1 million acquisition of available-for-sale investments and financial assets at fair value through profit and loss, and US$140.7 million capital expenditure in relation to cruise and cruise related activities.

Majority of the Group's cash and cash equivalents are held in U.S. dollars, Singapore dollars, Renminbi, Philippines Peso, Hong Kong dollars and Ringgit Malaysia. The Group's liquidity as at 31 December 2013 stood at was US$1,352.9 million (31 December 2012: US$912.5 million), comprising cash and cash equivalents and undrawn credit facilities.

Total loans and borrowings as at 31 December 2013 was US$746.4 million (31 December 2012: US$842.4 million), denominated in U.S.dollars, Hong Kong dollars and Renminbi. Approximately 37% (31 December 2012: 34%) of the Group's loans and borrowings was under fixed rate and 63% (31 December 2012: 66%) was under floating rate, after taking into consideration the effect of the loan origination costs. Loans and borrowings of US$360.4 million (31 December 2012: US$130.4 million) are repayable within 1 year. The outstanding borrowings of the Group are secured by legal charges over assets including fixed and floating charges of US$1.5 billion (31 December 2012: US$0.7 billion).

The Group has turned into a net cash position of US$189.0 million as at 31 December 2013, as compared to net debt of approximately US$391.7 million and a gearing ratio of 0.17 times as at 31 December 2012. Gearing ratio is defined as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. The total equity of the Group was approximately US$2,949.2 million (31 December 2012: US$2,372.1 million).

The Group adopts a prudent treasury policy with all financing and treasury activities managed and controlled at its corporate head office. The Group manages its exposure primarily through fuel swap agreements. It is also the Group's policy that hedging will not be performed in excess of actual requirement. The Group also applies a fuel surcharge to mitigate the fluctuation in fuel prices.

Prospects

Upon the completion of m.v. SuperStar Gemini's homeport deployment in Shanghai and Xiamen, the ship embarked on a seasonal deployment in Sanya, China in the beginning of November 2013. From April to October 2014, m.v. SuperStar Gemini is scheduled to homeport in Singapore, while m.v. SuperStar Virgo is scheduled to homeport in Hong Kong.

M.v. SuperStar Aquarius commenced its first seasonal homeport deployment to Kota Kinabalu, the city capital of Sabah, Malaysia, from November 2013 until March 2014. Star Cruises is the first international cruise line to homeport in Kota Kinabalu, offering cruises from Kota Kinabalu to Brunei's Bandar Seri Begawan and Sarawak's Bintulu. Star Cruises regularly introduces new routes and sets new itineraries in the region, and believes these itineraries will enhance the cruise experience of and attract both new and experienced cruisers. After this seasonal deployment, the ship will return to its homeport in Keelung, Taiwan in April 2014.

M.v. SuperStar Virgo has completed its routine drydock and refurbishment in January 2014. The refurbishment includes the upgrade of restaurants, entertainment and recreational venues, as well as duty-free shopping space. m.v. Genting World and m.v. SuperStar Gemini are also expected to undergo drydock in Q4 2014 .

Star Cruises has commissioned Meyer Werft GmbH for the construction of two brand new mega vessels at an aggregate cost of approximately €1.4 billion to meet the growing demands from the Asia Pacific market and to take advantage of port infrastructure developments in Asia. Each of these sister ships is approximately 150,000 gross tons with about approximately 3,300 lower berths and will be designed to offer a wide variety of Asian and international food & beverage outlets as well as world-class recreation, health & fitness and conference facilities catering for the unique demand of Asian clientele. The two new ships are scheduled to be delivered to Star Cruises in the fourth quarter of 2016 and 2017, respectively.

Travellers is developing several new hotels and other gaming and non-gaming attractions at Resorts World Manila ("RWM"). The second phase of RWM's expansion project is expected to include an expansion of the Marriott Hotel Manila, while the third phase of RWM's expansion project is expected to feature two new hotels, the Sheraton Hotel Manila and the Hilton Manila as well as an extension to Maxims Hotel. The expansion project is expected to improve RWM's position as a prime entertainment and tourism hotspot in the Philippines, catering to the growing influx of visitors, domestic and international alike, to RWM in the next few years.

Norwegian will continue with its newbuild program for the next generation of Freestyle Cruising vessels. Norwegian took delivery of m.v. Norwegian Getaway in January 2014. This ship is approximately 144,000 gross tons with 4,000 lower berths at an aggregate cost of approximately €627.7 million. Norwegian also has orders with Meyer Werft GmbH for two additional ships, to be delivered in the fourth quarter of 2015 and the first quarter of 2017. These ships, m.v. Norwegian Escape and m.v. Norwegian Bliss, will be the largest in Norwegian's fleet at approximately 163,000 gross tons with 4,200 lower berths each and will be similar in design and innovation to Norwegian's Breakaway-class ships. The combined contract cost of these two additional ships is approximately €1.4 billion.

Norwegian Group

The commentary below is based on NCLH's financial statements prepared in accordance with generally accepted accounting principles in the U.S.

Total revenue increased 12.9% to US$2.6 billion in 2013 compared to US$2.3 billion in 2012. Net revenue increased 13.4% in 2013, primarily due to an increase in capacity days of 8.8% related to the delivery of m.v. Norwegian Breakaway and an increase in net yield of 4.3%. The increase in net yield was due to an increase in passenger ticket pricing and higher onboard and other revenue, partially due to the introduction of m.v. Norwegian Breakaway to the fleet.

Total cruise operating expense increased 12.1% in 2013 compared to 2012 primarily due to an increase in capacity days, expenses related to planned dry-docks and fuel expense, partially offset by the timing of certain expenses. The increase in fuel expense was primarily the result of a 1.7% increase in the average fuel price to US$675 per metric ton in 2013 from US$664 in 2012. Total other operating expense increased 17.3% in 2013 compared to 2012 primarily due to non-cash expenses related to share-based compensation recognized upon the realization of IPO, the timing of certain expenses and depreciation expense related to the addition of Norwegian Breakaway. On a capacity day basis, net cruise cost increased 5.0% due to the expenses discussed above. Adjusted net cruise cost excluding fuel per capacity day increased 3.6%, respectively, mainly due to the timing of certain expenses.

Interest expense, net increased to US$282.6 million in 2013 from US$189.9 million in 2012 primarily due to US$160.6 million of expenses associated with debt prepayments partially offset by lower interest rates resulting from the benefits from the redemption of higher rate debt and refinancing transactions.

Income tax expense increased to US$11.8 million in 2013 from US$0.7 million in 2012 primarily due to the change in U.S. tax status from a partnership to a corporation in connection with IPO.

Travellers Group

The commentary below is based on Travellers' financial statements prepared in accordance with the Philippine Accounting Standards. Figures, originally reported by Travellers in Philippine Peso, have been translated into U.S. dollars in conformity with the Group's reporting currency.

Revenues less promotional allowance increased 3.6% to US$721.8 million in 2013 compared to US$696.5 million in 2012 mainly from the growth in gaming revenue. The 5.6% growth in gaming revenue was attributable to a 20.4% increase in drop, offset by a weaker luck factor. Traveller's average win rate in the VIP segment was 2.6% in 2013, down from 3.0% in 2012. Resorts World Manila remained a popular entertainment destination in Manila with average daily visitation increased 9.8% year-on-year to 18,873 in 2013.

Total operating costs and expenses increased 18.1% to US$613.8 million in 2013 compared to US$519.7 million in 2012 primarily due to an increase in gaming license fees, commissions and rebates as well as growth in salaries and employee benefits as a result of higher headcount and base salary in support of the growth in casino and hotel operations.

Depreciation expense was US$49.2 million in 2013, an increase of 21.5% from US$40.5 million in 2012, because of acquisition of certain equipment in 2013. Finance cost, net of finance income, rose to US$42.4 million in 2013 compared to US$15.6 million 2012, mainly due to marked-to-market losses on its US$ denominated corporate bond and lower finance income.

Net profit decreased from US$159.6 million in 2012 to US$64.1 million in 2013.

In April 2013, the Bureau of Internal Revenue ("BIR") issued Revenue Memorandum Circular ("RMC") No. 33-2013 which clarified that Philippine Amusement and Gaming Corporation ("PAGCOR"), its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code, as amended.

After due consideration of the relevant provisions of RMC No. 33-2013, the Travellers' Provisional License Agreement with PAGCOR, as well as relevant law and jurisprudence on the matter, Travellers is still studying the new BIR issuance, in consultation with PAGCOR. Travellers is confident that a fair and equitable resolution will be reached in keeping with the true spirit and intent of its Provisional License that Travellers will not be exposed to further tax liabilities except the license fees as contemplated therein. Hence, no provision has been recognized in the consolidated financial statements as of the end of any of the reporting periods.

Terminology

- *Net revenue represents total revenues less commissions, transportation and other expenses, and onboard and other expenses.*

- *Net yield represents net revenue per capacity day.*

- *Ship or cruise operating expenses represent operating expenses excluding commissions, transportation and other expenses and onboard and other expenses. Norwegian Group, reporting under US GAAP, accounts for dry-docking costs under the direct expense method and these costs are classified as ship operating expenses. Under HKFRS, the dry-docking costs are included as a separate component of the ship costs to be amortised to the subsequent dry-docking generally every 2 to 3 years in the depreciation and amortisation.*

- *EBITDA represents earnings before interest and other income (expense) including taxes, and depreciation and amortisation. The Group uses EBITDA to measure operating performance of the business.*

- *Capacity days represent double occupancy per cabin multiplied by the number of cruise days for the period.*

- *Passenger cruise days represent the number of passengers carried for the period, multiplied by the number of days in their respective cruises.*

- *Occupancy percentage, in accordance with cruise industry practice, represents the ratio of passenger cruise days to capacity days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.*

- *PAGCOR is a government-owned and controlled corporation organized under the laws of the Republic of the Philippines, specifically, Presidential Decree 1869, as amended, also known as the PAGCOR Charter. Under the said Charter, PAGCOR's primary mandate is to authorize, supervise, license, and regulate the conduct and operations of casino gaming in the Philippines.*

SIGNIFICANT SUBSEQUENT EVENTS

In January 2014, the Group entered into and completed a sale and purchase agreement with RWD US LLC ("RWD", an indirect wholly-owned subsidiary of Genting Malaysia Berhad) for the disposal of an aircraft to RWD at a consideration of US$17.3 million.

In February 2014, the Group entered into the second shipbuilding contract with a ship builder company in relation to the construction and delivery of the second vessel at a contract price of Euro 697.2 million (equivalent to approximately US$961.6 million). The vessel is expected to be delivered in October 2017.

In March 2014, the Group entered into and completed another underwriting agreement to further dispose 7.5 million ordinary shares in NCLH at a total consideration of approximately US$246.9 million (after deduction of relevant expenses). As a result of the share disposal, the percentage of ordinary shares in NCLH owned by the Group further decreased from approximately 31.4% to approximately 27.7%.

As announced by the Company on 5 March 2014, the Company proposes to seek from its shareholders a disposal mandate (subject to certain parameters including the mandate period and price setting mechanism as set out in the announcement), allowing the Company the flexibility in effecting future disposal(s) of the remaining NCLH shares held by the Group, as and when the Directors consider appropriate. The proposed disposal mandate is subject to shareholders' approval at a special general meeting to be convened as soon as practicable.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2013, save for the issuance by the Company of 21,252,626 new ordinary shares with par value of US$0.10 each in the share capital of the Company at an aggregate price of approximately HK$38,390,216 pursuant to the exercise of options granted 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) and the issuance by the Company of 240,044,247 new ordinary shares with par value of US$0.10 each in the share capital of the Company pursuant to the conversion of US$35,000,000 outstanding 7.5% unsecured convertible bonds due 2016.

CORPORATE GOVERNANCE

In the opinion of the Directors, during the year ended 31 December 2013, the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules (the "Code Provisions"), save for certain deviations from the relevant Code Provisions A.2.1, A.6.7 and F.1.3 as described below:

(a) Code Provision A.2.1 states that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual.

(b) Code Provision A.6.7 states that, inter alia, Independent Non-executive Directors and other Non-executive Directors, as equal Board members, should attend general meetings.

(c) Code Provision F.1.3 states that the Company Secretary should report to the Board Chairman and/or the Chief Executive.

Considered reasons for the deviations from Code Provisions A.2.1 and F.1.3 were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2012 published in April 2013 while considered reason for the deviation from Code Provision A.6.7 was set out in the section headed "Corporate Governance" of the Company's interim report for the six months ended 30 June 2013 published in September 2013. Further information of the Company's corporate governance practices will be set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2013, which will be available for publication as soon as possible.

REVIEW BY AUDIT COMMITTEE

The consolidated financial information set out in this announcement has been reviewed by the Audit Committee established in compliance with Rule 3.21 of the Listing Rules and the relevant provisions of the Corporate Governance Code. The Audit Committee comprises the three Independent Non-executive Directors of the Company, namely Mr. Heah Sieu Lay, Mr. Alan Howard Smith, and Mr. Lam Wai Hon, Ambrose.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises two Executive Directors, namely Tan Sri Lim Kok Thay and Mr. Lim Keong Hui, and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Heah Sieu Lay and Mr. Lam Wai Hon, Ambrose.

On behalf of the Board

TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 19 March 2014

Forward-looking statements

This announcement contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on the current beliefs, assumptions, expectations, estimates and projections of the Company about the industry and markets in which the Company and its subsidiaries (the "Group") will operate in the future. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Group, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include general economic, political and business conditions, changes in cruise industry competition, weather, force majeure events and/or other factors. Reliance should not be placed on these forward-looking statements, which merely reflect the view of the Company as of the date of this announcement only. The Company is under no obligation to revise or update publicly these forward-looking statements or any part thereof to reflect events or circumstances resulting from any new information, future events or otherwise on which any such statement was based.