Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2014 US$'000 audited	2013 US$'000 audited
Turnover	3	570,810	554,729
Operating expenses			
Operating expenses excluding depreciation and amortisation		(407,356)	(385,166)
Depreciation and amortisation		(83,445)	(74,243)
		(490,801)	(459,409)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(114,596)	(122,669)
Depreciation and amortisation		(7,315)	(8,130)
		(121,911)	(130,799)
		(612,712)	(590,208)
		(41,902)	(35,479)
Share of profit of jointly controlled entities		1,530	43,278
Share of profit of associates		147,276	31,291
Other income / (expenses), net	4	8,424	(14,903)
Other gains, net	5	300,952	576,254
Finance income		12,997	13,219
Finance costs	6	(31,442)	(47,800)
		439,737	601,339
Profit before taxation		397,835	565,860
Taxation	7	(13,771)	(13,909)
Profit for the year		384,064	551,951

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 December 2014 US$'000 audited	2013 US$'000 audited
Profit for the year		384,064	551,951
Other comprehensive income / (loss):			
Items which may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(27,278)	(64,097)
Fair value (loss) / gain on derivative financial instruments		(17,953)	873
Fair value gain / (loss) on available-for-sale investments		75,722	(45,193)
Fair value loss on available-for-sale investments transferred to profit or loss		-	85,712
Cash flow hedges transferred to profit or loss		927	9
Share of other comprehensive (loss) / income of an associate		(47,746)	3,815
Release of reserves upon disposal of equity interest in an associate		2,844	2,872
Release of reserves upon deemed disposal of jointly controlled entities		(18)	(99)
Other comprehensive loss for the year		(13,502)	(16,108)
Total comprehensive income for the year		370,562	535,843
Profit attributable to:			
Equity owners of the Company		384,475	552,389
Non-controlling interests		(411)	(438)
		384,064	551,951
Total comprehensive income attributable to:			
Equity owners of the Company		370,973	536,281
Non-controlling interests		(411)	(438)
		370,562	535,843
Earnings per share attributable to equity owners of the Company			
- Basic (US cents)	8	4.79	7.00
- Diluted (US cents)	8	4.61	6.61
Final dividends	11	80,367	80,345

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2014 US$'000 audited	2013 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,146,285	1,042,649
Land use right		4,278	1,280
Interests in jointly controlled entities		127,706	27,977
Interests in associates		1,394,279	1,269,261
Deferred tax assets		312	50
Available-for-sale investments		209,943	157,090
Restricted cash		-	4,380
Other assets and receivables		35,226	60,448
		2,918,029	2,563,135
CURRENT ASSETS			
Properties under development		17,820	-
Consumable inventories		17,983	22,030
Trade receivables	9	80,066	139,362
Prepaid expenses and other receivables		90,322	147,738
Derivative financial instruments		-	716
Financial assets at fair value through profit or loss		-	41,949
Available-for-sale investments		15,515	4,203
Amounts due from related companies		3,225	6,898
Restricted cash		9,517	5,541
Cash and cash equivalents		718,574	935,413
		953,022	1,303,850
TOTAL ASSETS		3,871,051	3,866,985

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December 2014 US$'000 audited	2013 US$'000 audited
EQUITY			
Capital and reserves attributable to the equity owners of the Company			
Share capital		803,669	803,378
Reserves:			
Share premium		16,618	16,289
Contributed surplus		936,823	936,823
Additional paid-in capital		123,761	112,183
Convertible bonds - equity component		3,854	3,854
Foreign currency translation adjustments		(63,430)	(36,134)
Available-for-sale investments reserve		76,097	375
Cash flow hedge reserve		(76,303)	(3,258)
Retained earnings		1,372,898	1,068,768
		3,193,987	2,902,278
Non-controlling interests		46,497	46,908
TOTAL EQUITY		3,240,484	2,949,186
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		237,659	386,066
Deferred tax liabilities		7,850	1,454
		245,509	387,520
CURRENT LIABILITIES			
Trade creditors	10	33,271	46,952
Current income tax liabilities		4,369	3,101
Provisions, accruals and other liabilities		93,592	102,831
Current portion of loans and borrowings		220,792	360,368
Derivative financial instruments		16,191	-
Amounts due to related companies		522	821
Advance ticket sales		16,321	16,206
		385,058	530,279
TOTAL LIABILITIES		630,567	917,799
TOTAL EQUITY AND LIABILITIES		3,871,051	3,866,985
NET CURRENT ASSETS		567,964	773,571
TOTAL ASSETS LESS CURRENT LIABILITIES		3,485,993	3,336,706

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 primary listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and secondary listed on the Main Board 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.

This audited consolidated financial information has been approved for issue by the Board of Directors on 19 March 2015.

2. Principal Accounting Policies and Basis of Preparation

The audited consolidated financial information, contained in this announcement, has been based on the audited consolidated financial statements of the Group for the year ended 31 December 2014 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 this 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 2013.

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 2013, except that the Group has adopted the following new/revised Hong Kong Accounting Standard ('HKAS")/HKFRS:

(i) HKAS 32 (Amendment), 'Financial instruments: Presentation - Offsetting financial assets and financial liabilities' (effective from 1 January 2014). The amendments clarify the requirements for offsetting financial instruments on the statement of financial position: (i) the meaning of 'currently has a legally enforceable right of set-off'; and (ii) that some gross settlement systems may be considered equivalents to net settlement. The amendment does not have a material impact on the Group's consolidated financial statements.

(ii) HKAS 36 (Amendment), 'Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets' (effective from 1 January 2014). This amendment removed certain disclosures of the recoverable amount of cash-generating units which had been included in HKAS 36 by the issue of HKFRS 13. The amendment does not have a material impact on the Group's consolidated financial statements.

(iii) HK(IFRIC) – Int 21, 'Levies' (effective from 1 January 2014). It sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligation event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subject to significant levies so the impact on the Group is not material.

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.

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

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 2014.

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.

The “Others” turnover in “Others” segment improved from US$12.6 million to US$23.5 million in 2014 mainly due to the increase in dividend income received from available-for-sale investments and revenue generated from aviation operations.

The segment information of the Group is as follows:

audited For the year ended 31 December 2014	Cruise and cruise related activities	Others	Total
	US$’000	US$’000	US$’000
Passenger ticket revenue	134,759	-	134,759
Onboard and other revenues	63,622	-	63,622
Gaming revenue	348,915	-	348,915
Others	-	23,514	23,514
Total turnover	547,296	23,514	570,810
Segment results	(36,919)	(4,983)	(41,902)
Share of profit of jointly controlled entities			1,530
Share of profit of associates			147,276
Other income, net			8,424
Other gains, net			300,952
Finance income			12,997
Finance costs			(31,442)
Profit before taxation			397,835
Taxation			(13,771)
Profit for the year			384,064

3. Turnover and Segment Information (Continued)

audited As at 31 December 2014	Cruise and cruise related activities	Others	Total
	US$'000	US$'000	US$'000
Segment assets	2,394,024	1,477,027	3,871,051
Total assets			3,871,051
Segment liabilities	163,045	4,702	167,747
Loans and borrowings (including current portion)	448,935	9,516	458,451
	611,980	14,218	626,198
Tax liabilities			4,369
Total liabilities			630,567
Capital expenditure	203,126	6,673	209,799
Depreciation and amortisation	82,519	8,241	90,760

audited For the year ended 31 December 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	(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			551,951

3. Turnover and Segment Information (Continued)

audited As at 31 December 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	81,032	1,341	82,373

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 income/(expenses), net

	Year ended 31 December	
	2014 US$'000	2013 US$'000
	audited	audited
Gain on disposal of property, plant and equipment	3,501	-
Reversal of impairment / (Impairment) of loan receivables from a third party (note(a))	13,827	(13,827)
Bad debt recovered from a third party loan	-	3,111
Reversal of gain on damages claim from a litigation	(1,000)	-
Dividend income on investments	-	561
Loss on foreign exchange	(8,592)	(6,771)
Other income, net	688	2,023
	8,424	(14,903)

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 likelihood and timing of recovery of the outstanding balances was uncertain.

The Group, however, received full settlement of the promissory notes and loan receivables from the relevant party during the year ended 31 December 2014.

5. Other gains, net

	Year ended 31 December	
	2014 US$'000	2013 US$'000
	audited	audited
Gain on dilution of interest in jointly controlled entities (note (a))	6,332	219,016
Gain on disposal of equity interest in an associate (note (b))	152,638	451,690
Gain on deemed disposal of an associate (note (c))	123,964	-
Gain on disposal of available-for-sale investments	20	32
Impairment loss on available-for-sale investments (note (d))	-	(85,712)
Fair value gain / (loss) on financial assets at fair value through profit or loss (note (e))	17,998	(8,772)
	300,952	576,254

Notes:

(a) In August 2014, the Group's equity interest in Resorts World Bayshore City Inc. ("RWBCI") was diluted from 50% to approximately 2.5% as a result of the subscription of new common shares of RWBCI by Travellers International Hotel Group, Inc. ("Travellers") and consequently the Group recorded a gain on dilution of interest in a jointly controlled entity of approximately US$6.3 million. Upon completion of the subscription, RWBCI ceased to be a jointly controlled entity of the Group and became an available-for-sale investment of the Group.

In January 2013, the Group's equity interest in Norwegian Cruise Line Holdings Ltd. ("NCLH" or "Norwegian") 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 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 March 2014, the Group entered into an underwriting agreement to sell 7.5 million ordinary shares in NCLH at an offering price of US$32.97 per share. As a result of the share disposal, a gain of approximately US$152.6 million to the Group was recorded and the percentage of ordinary shares in NCLH owned by the Group decreased from approximately 31.4% to approximately 27.7%.

In August 2013, the Group entered into an underwriting agreement to sell 11.5 million ordinary shares in 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 in NCLH owned by the Group decreased from approximately 43.4% to approximately 37.7%.

In December 2013, the Group entered into an underwriting agreement to sell 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 in NCLH owned by the Group decreased from approximately 37.5% to approximately 31.4%.

(c) In November 2014, the Group's equity interest in NCLH was diluted from approximately 28% to approximately 25% as a result of NCLH's issuance of certain new shares for its acquisition of Prestige Cruises International, Inc. ("Prestige") and consequently the Group recorded a gain on deemed disposal of an associate of approximately US$124.0 million.

5. Other gains, net (Continued)

(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 which amounted to US$85.7 million from available-for-sale investment reserve to profit or loss.

(e) The Group recorded a fair value gain of US$18.0 million during the year ended 31 December 2014, arising from the disposal of certain financial assets.

The Group recorded a fair value loss of US$8.8 million during the year ended 31 December 2013, arising from mark-to-market revaluation of certain financial assets.

6. Finance costs

	Year ended 31 December	
	2014 US$'000	2013 US$'000
	audited	audited
Amortisation of:		
- bank loans arrangement fees and commitment fees	11,372	11,209
Interests on:		
- bank loans and others	14,281	17,637
- convertible bonds	6,254	7,990
- RMB bonds	5,475	10,917
Loans arrangement fees written off	-	47
Interest capitalised for qualifying assets	(5,940)	-
Total finance costs	31,442	47,800

7. Taxation

	Year ended 31 December	
	2014 US$'000	2013 US$'000
	audited	audited
Overseas taxation		
- Current taxation	5,439	12,082
- Deferred taxation	7,792	1,418
	13,231	13,500
Under / (Over) provision in respect of prior years		
- Current taxation	2,176	324
- Deferred taxation	(1,636)	85
	13,771	13,909

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. Earnings per share

Earnings per share is computed as follows:

	Year ended 31 December	
	2014 US$'000 audited	2013 US$'000 audited
BASIC		
Profit attributable to equity owners of the Company	384,475	552,389
Earnings attributable to equity owners of the Company for the year	384,475	552,389
Weighted average outstanding ordinary shares, in thousands	8,034,986	7,890,631
Basic earnings per share for the year in US cents	4.79	7.00
DILUTED		
Profit attributable to equity owners of the Company for the year	384,475	552,389
Interest expense on convertible bonds	6,254	7,990
Earnings used to determine diluted earnings per share	390,729	560,379
Weighted average outstanding ordinary shares, in thousands	8,034,986	7,890,631
Effect of dilutive ordinary shares, in thousands:		
- options	3,869	10,017
- convertible bonds	445,796	581,931
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,484,651	8,482,579
Diluted earnings per share for the year in US cents	4.61	6.61

9. Trade Receivables

	As at 31 December	
	2014 US$'000 audited	2013 US$'000 audited
Trade receivables	216,904	241,727
Less: Provisions	(136,838)	(102,365)
	80,066	139,362

9. Trade Receivables (Continued)

The ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2014	2013
	US$'000	US$'000
	audited	audited
Current to 30 days	57,693	100,179
31 days to 60 days	708	1,406
61 days to 120 days	10,620	3,747
121 days to 180 days	4,581	5,832
181 days to 360 days	2,171	21,681
Over 360 days	4,293	6,517
	80,066	139,362

Credit terms generally range from payment in advance to 45 days credit (31 December 2013: payment in advance to 45 days).

Receivables amounting to US$8.7 million (2013: US$39.6 million) are secured by the underlying pledged securities and bear interest ranging from 5% to 6.5% (2013: 5% to 8.0%) per annum.

10. Trade Creditors

The ageing analysis of trade creditors is as follows:

	As at 31 December	
	2014	2013
	US$'000	US$'000
	audited	audited
Current to 60 days	16,024	28,827
61 days to 120 days	4,721	8,091
121 days to 180 days	3,817	1,316
Over 180 days	8,709	8,718
	33,271	46,952

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2013: no credit to 45 days).

11. Final Dividend

A final dividend in respect of the year ended 31 December 2014 of US$0.01 per ordinary share (2013: US$0.01 per ordinary share) amounting to a total dividend of approximately US$80,367,000 (2013: US$80,345,000) is recommended by the Directors at a meeting held on 19 March 2015, which will be payable subject to shareholders' approval at the 2015 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 2015. 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 the years ended 31 December 2014 ("2014") and 2013 ("2013") of the Group.

Key points for 2014 in comparison with 2013:

- Gain of US$152.6 million on disposal of certain ordinary shares in NCLH in March 2014, which generated US$246.9 million net sale proceeds to the Group

- Gain of US$124.0 million arising from deemed partial disposal of certain stake in NCLH as a result of its issuance of certain new shares for NCLH's acquisition of Prestige, which was completed in November 2014

- Fair value gain of US$18.0 million arising from the disposal of certain financial assets and gain of US$13.8 million arising from the recovery of loan receivables from a third party

- 2014 EBITDA of US$48.9 million, a 4.2% increase compared to 2013

- Increase in share of profit of NCLH from US$38.0 million in 2013 to US$95.0 million in 2014, primarily due to an improvement in NCLH's operating income and the absence of one-off expenses related to early repayment of debts pursuant to NCLH's IPO in 2013 notwithstanding the reduction of the Group's equity interest in NCLH

- Increase in share of profit of Travellers from US$31.2 million in 2013 to US$52.4 million in 2014, primarily due to the decrease in Travellers' operating expenses as a result of cost management initiatives

- The Group remained in a net cash position of US$260.1 million as at 31 December 2014

- The Board of Directors has recommended a final dividend of US$0.01 per ordinary share for 2014, which will be payable subject to shareholders' approval at the 2015 Annual General Meeting of the Company

Turnover

The Group reported revenue of US$570.8 million for 2014, a 2.9% growth from that of 2013. Gaming revenue increased 10.5% to US$348.9 million mainly due to a higher blended hold rate despite reduction in gaming volume. Passenger ticket revenue decreased 15.6% to US$134.8 million mainly due to the drydock of m.v. SuperStar Virgo ("Virgo") as well as changes in deployment and itineraries of m.v. SuperStar Gemini ("Gemini") and Virgo, which included the relocation of Gemini from Shanghai to Singapore and of Virgo from Singapore to Hong Kong in 2014.

Costs and Expenses

Total costs and expenses in 2014, excluding depreciation and amortisation, increased by 2.8% to US$522.0 million, generally in line with the growth in turnover. Total costs and expenses, excluding fuel expenses and depreciation and amortisation, increased 4.2% to US$459.0 million but increased only 2.1% on a per-capacity-day basis compared with that of 2013.

Fuel expenses, included in total costs and expenses, declined 6.4% to US$63.0 million due to lower overall fuel consumption mainly as a result of Virgo's drydocking in January 2014 and change of its itinerary to Hong Kong, coupled with a 4.5% decrease in average fuel price. Star Cruises' average fuel price per metric ton, net of hedges, was US$633 in 2014 compared with US$663 in 2013.

Total depreciation and amortisation expenses increased 10.2% to US$90.8 million in 2014, primarily due to the additional capitalised drydock expenses of Virgo in 2014 and amortisation of a land use right starting from 2014.

EBITDA

The Group's EBITDA for 2014 was US$48.9 million, compared to US$46.9 million for 2013.

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

Share of profit of NCLH amounted to US$95.0 million in 2014, compared with US$38.0 million in 2013, primarily due to the improvement in NCLH's operating income and the absence of one-off expenses related to early repayment of debts pursuant to NCLH's IPO in 2013 notwithstanding the reduction of the Group's equity interest in NCLH.

Share of profit of Travellers totalled US$52.4 million, compared with US$31.2 million in 2013, primarily due to the improvement in Travellers' operating expenses on cost management initiatives.

Other Income / (Expenses), net

Net other income in 2014 amounted to US$8.4 million compared with US$14.9 million net other expenses in 2013. In 2014, net other income mainly included a gain of US$13.8 million arising from the recovery of loan receivables from a third party which was previously impaired in 2013, offset by foreign exchange loss of US$8.6 million resulting from the depreciation of certain foreign currencies against US dollars in 2014 (2013: US$6.8 million).

Other Gains, net

Net other gains in 2014 amounted to US$301.0 million compared with US$576.3 million in 2013. In 2014, net other gains included (i) a US$152.6 million gain on disposal of certain ordinary shares in NCLH, (ii) a US$124.0 million gain arising from deemed partial disposal of a certain stake in NCLH as a result of its issuance of certain new shares for NCLH's acquisition of Prestige, which was completed in November 2014, and (iii) a US$18.0 million gain on revaluation of certain financial assets.

Net other gains in 2013 mainly included (i) a US$219.0 million gain on deemed partial disposal in connection with the IPO of Travellers and NCLH and (ii) a US$451.7 million gain on subsequent disposals of NCLH ordinary shares, partially offset by (iii) a US$85.7 million impairment loss on certain available-for-sale investments, and (iv) a US$8.8 million fair value loss on certain financial assets.

Net Finance Costs

Finance costs, net of finance income, decreased 46.7% to US$18.4 million in 2014 mainly attributed to the redemption of the Group's matured RMB bonds in June 2014 and capitalisation of certain interest expenses for qualifying assets.

Profit Before Taxation

Profit before taxation for 2014 was US$397.8 million compared to US$565.9 million for 2013.

Profit Attributable To Equity Owners

Profit attributable to equity owners of the Company was US$384.5 million for 2014 compared to US$552.4 million in 2013.

The operating data of the Group is as follows:

	Year ended 31 December	
	2014	2013
Passenger cruise days	1,832,715	2,007,503
Capacity days	2,642,669	2,589,401
Occupancy as a percentage of total Capacity Days	69%	78%

Liquidity and financial resources

As at 31 December 2014, cash and cash equivalents amounted to US$718.6 million, a decrease of US$216.8 million compared with US$935.4 million as at 31 December 2013. The decrease in cash and cash equivalents was primarily due to net cash outflow from (i) the redemption of the Group's matured RMB bonds amounting to US$220.9 million, (ii) repayment of US$69.3 million under existing bank loan and borrowing, (iii) dividend payment of US$80.3 million, (iv) investment in a jointly controlled entity of US$118.3 million and (v) US$188.2 million capital expenditure (including US$145.5 million relating to deposit and financing charges for the Group's newbuild vessels). The net cash outflow was partially offset by net cash inflow mainly from (i) US$31.3 million from operating activities, (ii) US$37.0 million deferred consideration from the disposal of a vessel, (iii) US$17.3 million from the disposal of an aircraft, (iv) US$31.4 million dividend received from an associate and a jointly controlled entity, (v) US$59.9 million from the disposal of certain financial assets and (vi) US$300.0 million from the disposal of certain ordinary shares in NCLH.

The majority of the Group's cash and cash equivalents are held in U.S. dollars, Singapore dollars, Hong Kong dollars, Australian dollars and Malaysia Ringgit. The Group's liquidity as at 31 December 2014 amounted to US$1,150.0 million (31 December 2013: US$1,352.9 million), which comprised cash and cash equivalents and undrawn credit facilities.

As at 31 December 2014, total loans and borrowings amounted to US$458.4 million (31 December 2013: US$746.4 million) and were denominated in US dollars and Renminbi. Approximately 13% (31 December 2013: 37%) of the Group's loans and borrowings was under fixed rate and 87% (31 December 2013: 63%) was under floating rate, including loan origination costs. Loans and borrowings of US$220.8 million (31 December 2013: US$360.4 million) are repayable within a year. The outstanding borrowings and unused credit facilities of the Group are secured by legal charges over assets including fixed and floating charges of US$1.6 billion (31 December 2013: US$1.5 billion).

The Group remained in a net cash position of US$260.1 million as at 31 December 2014, as compared with net cash position of US$189.0 million as at 31 December 2013. The total equity of the Group was approximately US$3,240.5 million (31 December 2013: US$2,949.2 million).

The Group adopts a prudent treasury policy with all financing and treasury activities being 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.

Prospects

In 2015, Virgo and Gemini will continue their homeport deployment in Hong Kong and Singapore, respectively. Gemini will be offering various itineraries cruising to destinations including Penang, Langkawi, Port Klang and Malacca while Virgo will be offering destination cruise from April onwards to Sanya and Taiwan. M.v. SuperStar Aquarius will commence its seasonal deployment in Keelung, Taiwan from April.

Star Cruises 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 1,600 cabins, accommodating approximately 4,500 passengers and 2,000 crew members. 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 two new ships are expected to reinforce Star Cruises' leading position in Asia-Pacific. The Company has recently entered into an agreement to acquire Crystal Cruises, Inc. ("Crystal Cruises") and look forward to completing the transaction, which will add two award-winning luxury ships – m.v. Crystal Serenity and m.v. Crystal Symphony – to our growing fleet, and expand the Company's presence in the cruise industry.

Travellers has subscribed to 3.23 billion shares in RWBCI, the developer of Bayshore City Resorts World at the Entertainment City in Paranaque City, making Travellers effectively the 95% owner of RWBCI. Bayshore City Resorts World will have at least 1,500 hotel rooms to be managed and operated by international hotel brands. These include "The Westin Hotel Manila Bayshore" of the Starwood Asia Pacific Hotels & Resorts and the "Genting Grand" and "Crockfords Tower" of the Genting group. Bayshore City Resorts World will be designed with attractions and facilities to accommodate millions of visitors and tourists annually and cater to different market segments ranging from families, the corporate sector, business travellers, tourists and the meetings and convention market. In addition to the branded hotels, the highlights of Bayshore City Resorts World include a 3,000-seater Grand Opera House, mall, cinema and commercial complex with retail component that shall offer the latest trend and style in fashion, department stores, food and beverage outlets and cinemas, entertainment and gaming facilities. Bayshore City Resorts World has commenced site development and is projected to open in the fourth quarter of 2018. Meanwhile, the second and third phase expansion projects for the development of new hotels and other gaming and non-gaming attractions at Resorts World Manila are in progress.

In November 2014, Norwegian Group completed its acquisition of Prestige. With this acquisition, NCLH operates a portfolio of brands that span all market segments in the cruise industry, from contemporary to upper-premium to luxury. Each brand offers differentiated experiences in their respective segments. The Norwegian Cruise Line brand provides the freedom and flexibility of a resort-style vacation on board some of the most innovative ships in the industry with its unique Freestyle Cruising proposition. Oceania Cruises offers an upper premium experience with the finest cuisine at sea on its fleet of mid-sized ships, while Regent Seven Seas Cruises is a market leader in the luxury cruise segment and operates three award-winning, all-suite ships, with an additional ship on order for delivery in summer 2016.

Norwegian Group currently operates 21 ships with approximately 40,000 berths visiting approximately 420 worldwide destinations. The NCLH's brands will introduce six additional ships through 2019 increasing the total berths to approximately 58,000. Four new ships are on order with Meyer Werft GmbH for delivery in the fourth quarter of 2015, the first quarter of 2017, the second quarter of 2018 and the fourth quarter of 2019, respectively. These ships will be similar in design and innovation to Norwegian's Breakaway-class ships and range from approximately 163,000 gross tons to 164,600 gross tons with 4,200 passenger berths each. Export credit financing is in place that provides financing for 80% of their contract prices.

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 21.6% to US$3.1 billion in 2014 compared to US$2.6 billion in 2013. Net revenue increased 25.0% in 2014, primarily due to an increase in capacity days of 19.8%. The increase in capacity days was primarily due to the delivery of Norwegian Breakaway in April 2013 and Norwegian Getaway in January 2014. The net yield improvement of 4.3% was due to higher net ticket and net onboard and other revenue. Adjusted net revenue excludes a deferred revenue fair value adjustment of US$10.1 million related to the acquisition of Prestige. The improvement in adjusted net yield was primarily the result of a 3.3% increase in NCLH stand-alone net yield and partially due to the addition of Prestige's brands to the fleet.

Total cruise operating expense increased 17.4% in 2014 compared to 2013 primarily due to the increase in capacity days as discussed above. Total other operating expense increased 30.9% in 2014 compared to 2013 primarily due to transaction expenses related to the acquisition of Prestige and certain inaugural and launch related costs for Norwegian Getaway and an increase in depreciation and amortization expense related to the addition of Norwegian Breakaway and Norwegian Getaway. On a capacity day basis, net cruise cost increased 3.6% due to the increase in expenses explained above partially offset by a decrease in fuel expense. The fuel price per metric ton, excluding the impact of hedges was US$605 in 2014 compared to US$686 in 2013. NCLH experienced a negative impact in 2014 of US$10.3 million on its hedge portfolio due to recent reductions in fuel prices compared to a benefit of US$4.7 million in 2013. Net of hedges, fuel price per metric ton decreased to US$625 in 2014 compared to US$675 in 2013. NCLH fuel consumption per capacity day decreased 3.1%. On a capacity day basis, net cruise cost excluding fuel increased 7.8% primarily due to costs related to the acquisition of Prestige and certain general and administrative costs and adjusted net cruise cost excluding fuel per capacity day increased 3.5%.

Interest expense, net decreased to US$151.8 million in 2014 from US$282.6 million in 2013. Interest expense, net for 2014 reflected an increase in average debt outstanding associated with newbuild financings and debt incurred in connection with the acquisition of Prestige, partially offset by lower interest rates from the benefits from the redemption of higher rate debt and refinancing transactions. In addition, 2014 reflects US$15.4 million of expenses related to financing transactions in conjunction with the Acquisition of Prestige while 2013 reflects US$160.6 million of expenses associated with debt prepayments.

In 2014, NCLH had an income tax benefit of US$2.3 million compared to an income tax expense of US$11.8 million for 2013. During the fourth quarter of 2013, NCLH completed the implementation of a global tax platform, which had a favorable impact on the amount of income subject to U.S. corporate tax. This favorable impact continued through calendar year 2014. In addition, during the first quarter of 2014, NCLH received information which allowed NCLH to elect a tax method to calculate deductible interest expense which resulted in a tax benefit of US$11.1 million including a US$5.3 million non-recurring benefit.

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.

In 2014, Travellers reported US$710.2 million in total revenues and US$178.1 million in EBITDA, compared with US$781.1 million total revenues and US$157.2 million EBITDA in 2013. The decrease in total revenues was mainly due to lower VIP drop and lower hold percentage during the year.

Total operating expenses amounted to US$475.8 million in 2014, compared with US$564.7 million in 2013, which was mainly due to cost management initiatives.

Finance costs amounted to US$22.3 million in 2014, which has decreased from US$31.4 million in 2013, mainly due to the decrease in borrowings balance in 2014.

Net income increased from US$64.1 million in 2013 to US$122.5 million in 2014.

The cash and cash equivalents balance decreased from US$579.9 million as at 31 December 2013 to US$398.2 million as at 31 December 2014, while the loans and borrowings balance decreased from US$397.5 million as at 31 December 2013 to US$299.5 million as at 31 December 2014.

Travellers is subject to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues, as provided under the Provisional License Agreement with The Philippine Amusement and Gaming Corporation ("PAGCOR"). In April 2013, however, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) 33-2013 declaring that PAGCOR, its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended.

In May 2014, PAGCOR issued Guidelines for a 10% Income Tax Allocation (ITA) measure whereby, effective 1 April 2014, the 25% and 15% license fees were effectively reduced to 15% and 5%, respectively, inasmuch as 10% of the license fees was allocated for income tax on gaming, subject to quarterly and annual true-up mechanisms obliging the licensees to remit to PAGCOR any savings from the excess of the 10% ITA over the actual income tax paid on the gaming revenues.

The 10% ITA measure is in keeping with the true spirit and intent of the terms of the Provisional License insofar as the license fees are intended and contemplated to be in lieu of all taxes with reference to the income component of the gross gaming revenues, while preserving at the same time the financial benefits of the Provisional License for the Philippine Government. The ITA measure ceases to be effective and the license fees shall automatically revert to the 25% and 15% rates indicated in the Provisional License Agreement should certain circumstances enumerated in the measure occur, in effect declaring that gaming revenues are not subject to the corporate income tax. In December 2014, the Supreme Court ("SC") issued a Decision in the case of PAGCOR v. BIR, G.R. No. 215427, confirming that income from gaming operations is subject only to five percent (5%) franchise tax, in lieu of all other taxes, under P.D. 1869, as amended, otherwise known as the PAGCOR Charter. A similar case filed on behalf of a PAGCOR licensee is pending with the SC as of the audit report date.

Management is of the opinion that the similar case pending with the SC will result to a positive outcome, considering the unequivocal Supreme Court declaration in the PAGCOR v. BIR, G.R.No.215427 that income from gaming operations is subject only to 5% franchise tax, in lieu of all taxes. Upon finality of the resolution/decision of such case, the 10% ITA measure shall cease to be effective, and the license fees shall automatically revert to the original 25% and 15% rates as indicated in the Provisional License Agreement, in accordance with pars. (b) and/or (c) of the foregoing ITA measure.

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

(i) On 3 March 2015, the Group has entered into a purchase agreement to acquire the entire interest in Crystal Cruises which is a global luxury cruise line operator, at a consideration of US$550 million subject to certain adjustment items provided that the consideration shall not be more than US$600 million.

(ii) On 5 March 2015, the Group entered into an underwriting agreement to dispose of 6.25 million ordinary shares in NCLH for a total consideration of approximately US$316.9 million (after deduction of relevant estimated expenses). As a result of the share disposal, the percentage of ordinary shares in NCLH owned by the Group decreased from approximately 24.9% to approximately 22.1%.

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 2014, save for (i) the issuance by the Company of 2,905,998 new ordinary shares of US$0.10 each in the Company at an aggregate price of approximately HK$4,798,585 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 (ii) the redemption of all of the outstanding RMB1,380,000,000 3.95% Bonds (the "RMB Bonds") by the Company in full amounted to RMB1,407.2 million (including principal and accrued interest) upon their maturity on 30 June 2014 in accordance with the terms and conditions of the RMB Bonds.

CORPORATE GOVERNANCE

In the opinion of the Directors, during the year ended 31 December 2014, 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 2013 published in April 2014 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 2014 published in September 2014. 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 2014, 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 which currently comprises two Independent Non-executive Directors of the Company, namely Mr. Alan Howard Smith and Mr. Lam Wai Hon, Ambrose. As announced by the Company on 6 February 2015, following the resignation of Mr. Heah Sieu Lay as an Independent Non-executive Director of the Company and cessation as the Chairman of the Audit Committee with effect from 3 February 2015, the Company is taking steps to identify suitable candidate(s) to fill up the vacancies occasioned by Mr. Heah's resignation within the three months period in accordance with the relevant requirements of the Listing Rules.

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, two Independent Non-executive Directors, namely Mr. Alan Howard Smith and Mr. Lam Wai Hon, Ambrose and one Non-executive Director, namely Mr. Justin Tan Wah Joo.

On behalf of the Board

TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 19 March 2015

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.