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

PROFIT ALERT – REDUCTION IN LOSS

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and Part XIVA of the SFO. The Board wishes to inform the shareholders, investors and potential investors of the Company that, based on the preliminary assessment of the latest unaudited financial information, excluding the share of results of Travellers International Hotel Group, Inc. (“**Travellers**”), the Group is expected to record a consolidated net loss in the range of US\$240 million to US\$270 million for the year ended 31 December 2017, as compared with a consolidated net loss of US\$537 million, excluding the share of results of Travellers, for the year ended 31 December 2016.

Shareholders, investors and potential investors of the Company should exercise caution when dealing in the securities of the Company.

This announcement is made by Genting Hong Kong Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders, investors and potential investors of the Company that, based on the preliminary assessment of the latest unaudited financial information, excluding the share of results of Travellers, the Group is expected to record a consolidated net loss in the range of US\$240 million to US\$270 million for the year ended 31 December 2017, as compared to a consolidated net loss of US\$537 million, excluding the share of results of Travellers, for the year ended 31 December 2016.

Such expected improvement in the consolidated net loss of the Group is mainly attributable to a number of factors including:

- (i) One-off gain of US\$205 million in respect of the sale of Norwegian Cruise Line Holdings Ltd. (“**NCLH**”)’s shares and The Star Entertainment Group Limited’s shares as disclosed in the Company’s announcements dated 13 July 2017, 13 August 2017 and 17 November 2017 respectively and the absence of an impairment on NCLH shares of US\$305 million in 2016;

offset by:

- (ii) Start-up losses in the Dream Cruises brand for World Dream arrived in Hong Kong and the re-positioning of Genting Dream to Singapore in November 2017, Crystal Cruises brand extensions in river cruises and the launch of AirCruises;
- (iii) Dream Cruises, launched slightly more than a year ago is performing well with improving occupancies and net yields in both the Hong Kong/Guangzhou and Singapore markets. However, the arrivals of new and large ships of competitors have caused smaller and older ships to relocate to ports where Star Cruises ships are positioned, creating downward pressures on occupancies and yields. However, this situation is expected to improve as competitors had announced approximately 18% reduction in capacity by the end of this year. Crystal Cruises faces significant competition in 2017, as competitors have launched new luxury ships, leading to approximately 16% increase in berth capacity in the luxury sector. The renovation of Crystal Symphony late last year and Crystal Serenity late this year with less passengers, more suites and an additional Chinese restaurant will enable free seating, an essential feature for Crystal Cruises to compete more effectively in the luxury sector;
- (iv) MV Werften recorded a full year start-up losses in 2017 as compared to an eight months losses in 2016. However, with the steel cutting for both the Endeavor Class and Global Class ships in 2018, MV Werften is expected to capitalise the shipbuilding cost as part of the new builds;
- (v) Additional depreciation and amortisation of the shipyards along with new Dream and Crystal vessels; and
- (vi) Additional finance costs on new Dream and Crystal vessels.

The Board wishes to remind investors that the Company is still in the process of finalising its consolidated results for the year ended 31 December 2017 and the above comparison did not take into account the Group's share of results of Travellers as Travellers is a listed company on an overseas stock exchange and its results have not been announced. The Board will consider making a supplemental announcement for the Company, if necessary, after the results of Travellers is announced. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available to the Board. Such information has not been reviewed or audited by the independent auditors of the Company. The audited consolidated results of the Group for the year ended 31 December 2017 are expected to be announced in March 2018.

Shareholders, investors and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 January 2018

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

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”) is operating or 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 expected 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.