GENTING
HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2017 US$'000 audited	2016 US$'000 audited
Revenue	3	1,190,415	1,016,668
Operating expenses			
Operating expenses excluding depreciation and amortisation		(1,066,227)	(848,789)
Depreciation and amortisation		(175,510)	(123,386)
		(1,241,737)	(972,175)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(285,190)	(258,880)
Depreciation and amortisation		(14,995)	(8,815)
		(300,185)	(267,695)
		(1,541,922)	(1,239,870)
		(351,507)	(223,202)
Share of profit / (loss) of joint ventures		1,048	(516)
Share of profit of associates		225	32,890
Other expenses, net	4	(849)	(7,474)
Other gains / (losses), net	5	166,050	(301,054)
Finance income		7,098	10,548
Finance costs	6	(49,373)	(6,841)
		124,199	(272,447)
Loss before taxation	7	(227,308)	(495,649)
Taxation	8	(16,972)	(8,583)
Loss for the year		(244,280)	(504,232)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 December 2017 US$'000 audited	2016 US$'000 audited
Loss for the year		(244,280)	(504,232)
Other comprehensive income / (loss):			
Items that have been or may be reclassified to consolidated statement of comprehensive income:			
Foreign currency translation differences		64,331	(50,104)
Fair value gain / (loss) on derivative financial instruments		46,139	(14,271)
Fair value gain / (loss) on available-for-sale investments		292,455	(402,952)
Transfer of available-for-sale investments reserve to consolidated statement of comprehensive income on impairment		-	305,034
Share of other comprehensive income of an associate		385	136
Release of reserves upon disposal of available-for-sale investments		(204,994)	(10,022)
		198,316	(172,179)
Item that will not be reclassified subsequently to consolidated statement of comprehensive income:			
Actuarial gain / (loss) on retirement benefit plans		548	(819)
Other comprehensive income / (loss) for the year		198,864	(172,998)
Total comprehensive loss for the year		(45,416)	(677,230)
Loss attributable to:			
Equity owners of the Company		(242,289)	(502,325)
Non-controlling interests		(1,991)	(1,907)
		(244,280)	(504,232)
Total comprehensive loss attributable to:			
Equity owners of the Company		(43,425)	(675,323)
Non-controlling interests		(1,991)	(1,907)
		(45,416)	(677,230)
Loss per share attributable to equity owners of the Company			
- Basic (US cents)	9	(2.86)	(5.92)
- Diluted (US cents)	9	(2.86)	(5.92)
Final dividend	12	84,825	84,825

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2017 US$'000 audited	2016 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		4,256,589	3,111,526
Land use rights		3,813	3,671
Intangible assets		84,062	80,189
Interests in joint ventures		3,555	3,847
Interests in associates		535,410	549,885
Deferred tax assets		4,025	2,130
Available-for-sale investments		9,610	9,585
Other assets and receivables		21,058	11,909
		4,918,122	3,772,742
CURRENT ASSETS			
Completed properties for sale		47,211	-
Properties under development		-	45,056
Inventories		37,389	65,947
Trade receivables	10	66,937	49,765
Prepaid expenses and other receivables		113,145	173,434
Available-for-sale investments		686,835	1,257,073
Amounts due from related companies		852	1,153
Restricted cash		126,851	141,251
Cash and cash equivalents		1,147,702	1,040,274
		2,226,922	2,773,953
TOTAL ASSETS		7,145,044	6,546,695

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December 2017 US$'000 audited	2016 US$'000 audited
EQUITY			
Capital and reserves attributable to the equity owners of the Company			
Share capital		848,249	848,249
Reserves:			
Share premium		41,634	41,634
Contributed surplus		936,823	936,823
Additional paid-in capital		110,987	111,780
Foreign currency translation adjustments		(20,057)	(137,601)
Available-for-sale investments reserve		138,285	104,037
Cash flow hedge reserve		-	(17,280)
Retained earnings		2,487,403	2,897,616
		4,543,324	4,785,258
Non-controlling interests		35,967	37,958
TOTAL EQUITY		4,579,291	4,823,216
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		1,590,805	1,036,936
Deferred tax liabilities		21,751	18,597
Provisions, accruals and other liabilities		818	1,123
Retirement benefit obligations		9,109	8,934
Advance ticket sales		17,903	19,394
		1,640,386	1,084,984
CURRENT LIABILITIES			
Trade payables	11	101,012	85,606
Current income tax liabilities		13,017	6,875
Provisions, accruals and other liabilities		320,303	224,062
Current portion of loans and borrowings		297,354	135,243
Derivative financial instruments		-	17,280
Amounts due to related companies		522	2,458
Advance ticket sales		193,159	166,971
		925,367	638,495
TOTAL LIABILITIES		2,565,753	1,723,479
TOTAL EQUITY AND LIABILITIES		7,145,044	6,546,695
NET CURRENT ASSETS		1,301,555	2,135,458
TOTAL ASSETS LESS CURRENT LIABILITIES		6,219,677	5,908,200

NOTES TO THE 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 "Singapore Exchange"). The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, whereas the principal place of business of the Company is situated at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

During the year ended 31 December 2017, the Company has sought the voluntary delisting of the shares of the Company from the Main Board of the Singapore Exchange (the "Delisting") and has received a confirmation from the Singapore Exchange that it has no objection to the Delisting. The last day for trading of the shares on the Main Board of the Singapore Exchange will be 10 April 2018 and the date of Delisting will be 17 April 2018.

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, shipyard operations, leisure, entertainment and hospitality activities.

These audited consolidated financial statements have been approved for issue by the Board of Directors on 29 March 2018.

2. Principal Accounting Policies and Basis of Preparation

The 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 2017 which have been prepared in accordance with all applicable 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 statements 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 end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The audited consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss and retirement benefit assets which are carried at fair value.

The accounting policies and methods of computation used in the preparation of these audited consolidated financial statements are consistent with those used in the annual report for the year ended 31 December 2016, except that the Group has adopted the following amendments to HKFRSs that are first effective for the current accounting period:

(i) HKAS 7 (Amendments), "Disclosure initiative" (effective from 1 January 2017). The amendments introduce an additional disclosure on changes in liabilities arising from financing activities. An additional disclosure has been included in the consolidated statement of cash flows to satisfy the new disclosure requirements. Other than that, the adoption of the amendments did not have any impact on the current period.

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

(ii) HKAS 12 (Amendments), "Recognition of deferred tax assets for unrealised losses" (effective from 1 January 2017). The amendments clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value. In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences. The amendments shall be applied retrospectively. The amendments do not have a material impact on the Group's consolidated financial statements.

Apart from the impact mentioned above and certain presentational changes, the adoption of these amendments to HKFRSs has no significant impact on the Group's financial statements.

3. Revenue 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 divided into cruise operation, shipyard operation and non-cruise operation. Accordingly, three reportable segments namely, cruise and cruise-related activities, shipyard operations and non-cruise activities are identified.

Revenue from our cruise and cruise-related activities are categorised as "passenger ticket revenue" and "onboard revenue". Passenger ticket revenue primarily consists of revenue from the sale of passenger tickets and the sale of transportation to and from our cruise ships to the extent guests purchase these items from the Group. Onboard revenue primarily consists of revenue from food and beverage sales, shore excursion, entertainment and other onboard services.

Revenue from our shipyard operations primarily consists of revenue from shipbuilding, repairs and conversion activities.

Revenue from our non-cruise activities primarily consists of revenue from our onshore hotel, travel agent, aviation (including AirCruises and air-related services), entertainment, sales of residential property units and dividend income from investments, none of which are of a significant size to be reported separately.

Passenger ticket revenue and onboard revenue increased significantly in 2017 compared to 2016 mainly due to the full year's operation of Genting Dream and Crystal Mozart, as well as the launch of World Dream, Crystal Bach and Crystal Mahler during the year. However, additional depreciation of new Dream and Crystal cruise vessels, startup costs of new Crystal river ships resulted in segmental loss from our "cruise and cruise-related activities". Reportable segment revenue from shipyard operations increased in 2017 mainly due to more shipbuilding activities in 2017 compared to 2016. Higher overall operating and selling, general, administrative expenses including depreciation and amortisation as a result of full year's startup and newbuild activities of the shipyards in Germany in 2017 compared with its eight months' post-acquisition activities in 2016 resulted in segmental loss of our "shipyard operations". Higher revenue from non-cruise activities was primarily contributed by sales of residential property units in Mainland China. Notwithstanding a profit was recorded from sales of residential property units in Mainland China, our "non-cruise activities" recorded segmental loss mainly due to startup costs of new AirCruises operations in 2017.

3. Revenue and Segment Information (Continued)

The segment information of the Group is as follows:

audited For the year ended 31 December 2017	Cruise and cruise-related activities	Elimination*	Cruise and cruise-related activities	Shipyard operations#	Non-cruise activities	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Passenger ticket revenue	728,324	(116,338)	611,986	-	2,339	614,325
Onboard revenue	287,682	116,338	404,020	-	-	404,020
Revenue from shipyard operations	-	-	-	52,546	-	52,546
Other revenue	-	-	-	-	119,524	119,524
Total revenue from external customers	1,016,006	-	1,016,006	52,546	121,863	1,190,415
Inter-segment revenue	-	-	-	140,708	14,703	155,411
Reportable segment revenue	1,016,006	-	1,016,006	193,254	136,566	1,345,826
Segment results	(186,113)	-	(186,113)	(122,282)	(43,112)	(351,507)
Share of profit of joint ventures						1,048
Share of profit of associates						225
Other expenses, net						(849)
Other gains, net						166,050
Finance income						7,098
Finance costs						(49,373)
Loss before taxation						(227,308)
Taxation						(16,972)
Loss for the year						(244,280)
Other segment information:						
Depreciation and amortisation			142,796	19,697	28,012	190,505
Impairment loss on:						
- Property, plant and equipment			-	-	22,646	22,646
- Goodwill			-	-	10,945	10,945
- Other receivables			-	-	5,353	5,353
			-	-	38,944	38,944

* Consistent with the internal reporting to the chief operating decision maker, included in the passenger ticket revenue of US$728.3 million (2016: US$625.4 million) were revenue allocated from onboard activities of US$116.3 million (2016: US$122.0 million) for cruise cabins provided to customers in support of the Group's onboard activities. The comparatives have been restated.

\# The shipyard operations of the Group has become a reportable segment during the year. Accordingly, the comparatives have been restated.

3. Revenue and Segment Information (Continued)

audited As at 31 December 2017	Cruise and cruise-related activities US$'000	Shipyard operations # US$'000	Non-cruise activities US$'000	Total US$'000
Segment assets	4,577,659	530,777	2,032,583	7,141,019
Deferred tax assets				4,025
Total assets				7,145,044
Segment liabilities	459,912	144,500	38,414	642,826
Loans and borrowings (including current portion)	1,865,027	15,991	7,141	1,888,159
	2,324,939	160,491	45,555	2,530,985
Current income tax liabilities				13,017
Deferred tax liabilities				21,751
Total liabilities				2,565,753
Capital expenditure:				
Property, plant and equipment	970,252	215,122	124,898	1,310,272
Property, plant and equipment arising from acquisitions of subsidiaries and business	-	-	16,092	16,092
	970,252	215,122	140,990	1,326,364

3. Revenue and Segment Information (Continued)

audited For the year ended 31 December 2016	Cruise and cruise-related activities	Elimination*	Cruise and cruise-related activities	Shipyard operations#	Non-cruise activities	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Passenger ticket revenue	625,408	(121,960)	503,448	-	-	503,448
Onboard revenue	282,703	121,960	404,663	-	-	404,663
Revenue from shipyard operations	-	-	-	66,978	-	66,978
Other revenue	-	-	-	-	41,579	41,579
Total revenue from external customers	908,111	-	908,111	66,978	41,579	1,016,668
Inter-segment revenue	-	-	-	62,580	-	62,580
Reportable segment revenue	908,111	-	908,111	129,558	41,579	1,079,248
Segment results	(106,236)	-	(106,236)	(61,617)	(55,349)	(223,202)
Share of loss of joint ventures						(516)
Share of profit of associates						32,890
Other expenses, net						(7,474)
Other losses, net						(301,054)
Finance income						10,548
Finance costs						(6,841)
Loss before taxation						(495,649)
Taxation						(8,583)
Loss for the year						(504,232)
Other segment information:						
Depreciation and amortisation			105,647	14,367	12,187	132,201
Impairment loss on:						
- Other receivables			-	-	2,689	2,689
- Available-for-sale investments			-	-	307,730	307,730
			-	-	310,419	310,419

3. Revenue and Segment Information (Continued)

audited As at 31 December 2016	Cruise and cruise-related activities US$'000	Shipyard operations# US$'000	Non-cruise activities US$'000	Total US$'000
Segment assets	3,673,056	521,835	2,349,674	6,544,565
Deferred tax assets				2,130
Total assets				6,546,695
Segment liabilities	167,863	73,219	284,746	525,828
Loans and borrowings (including current portion)	1,162,043	3,301	6,835	1,172,179
	1,329,906	76,520	291,581	1,698,007
Current income tax liabilities				6,875
Deferred tax liabilities				18,597
Total liabilities				1,723,479
Capital expenditure:				
Property, plant and equipment	1,004,087	22,676	15,192	1,041,955
Property, plant and equipment arising from acquisitions of subsidiaries and business	-	-	229,160	229,160
	1,004,087	22,676	244,352	1,271,115

3. Revenue and Segment Information (Continued)

Geographical information

Revenue

Revenue from cruise and cruise-related activities are analysed based on geographical territory of departure port. Revenue from shipyard operations and non-cruise activities are based on the location at which the services were provided or goods delivered, in the case of contract revenue, based on the location of the customers, except for revenue from AirCruises which are based on geographical territory of place of departure.

	Year ended 31 December	
	2017 US$'000 audited	2016 US$'000 audited
Asia Pacific (note (a))	810,973	571,192
America	204,312	256,810
Europe	157,415	172,852
Others	17,715	15,814
	1,190,415	1,016,668

Non-current assets, other than financial instruments and deferred tax assets

	As at 31 December	
	2017 US$'000 audited	2016 US$'000 audited
Asia Pacific (note (a))	3,240,602	2,569,271
Europe	749,398	333,598
Unallocated (note (b))	911,682	846,249
	4,901,682	3,749,118

Notes:

(a) Asia Pacific mainly includes Australia, Cambodia, Mainland China (including Macau Special Administrative Region), Hong Kong Special Administrative Region ("Hong Kong"), Indonesia, Japan, the Philippines, Malaysia, Singapore, Taiwan, Thailand and Vietnam.

(b) With the exception of Crystal River Cruises ships operating in Europe, unallocated includes non-current assets other than financial instruments and deferred tax assets of Crystal Cruises as it is operated on a global basis. Accordingly, management considers that there is no suitable basis for allocating such assets by geographical territory.

4. Other Expenses, net

	Year ended 31 December	
	2017 US$'000	2016 US$'000
	audited	audited
Write off and loss on disposal of property, plant and equipment	(17,276)	(431)
Write off of intangible assets	(86)	-
Gain / (loss) on foreign exchange	12,914	(425)
Reorganisation costs (note (a))	-	(13,003)
Other income, net	3,599	6,385
	(849)	(7,474)

Note:

(a) During the year ended 31 December 2016, the Group communicated to the representatives of affected employees a detailed formal reorganisation plan of its shipyard operations and accordingly provided for an estimated cost of approximately EUR11.9 million (approximately US$13.0 million) for the year ended 31 December 2016.

5. Other Gains / (Losses), net

	Year ended 31 December	
	2017 US$'000	2016 US$'000
	audited	audited
Gain on disposal of available-for-sale investments	204,994	10,022
Impairment loss on:		
- property, plant and equipment (note (a))	(22,646)	-
- available-for-sale investments (note (b))	-	(307,730)
- goodwill (note (c))	(10,945)	-
- other receivables	(5,353)	(2,689)
Waiver of loan and interest receivable from a joint venture (note (d))	-	(657)
	166,050	(301,054)

Notes:

(a) The Group performed a review of the carrying value of certain of its property, plant and equipment. Accordingly, for the year ended 31 December 2017, the Group wrote down the carrying value of an aircraft by US$22.6 million, being excess of the carrying value over the recoverable amount.

(b) The Group completed a review of the carrying value of its available-for-sale investments in December 2016 and determined that there was a decline in fair value of ordinary shares in Norwegian Cruise Line Holdings Ltd. ("NCLH"). Accordingly, for the year ended 31 December 2016, the Group transferred the fair value loss amounting to US$305.0 million from available-for-sale investments reserve to the consolidated statement of comprehensive income. In addition, an impairment loss on an unlisted available-for-sale investment amounted to US$2.7 million was recorded.

5. Other Gains / (Losses), net (Continued)

Notes:

(c) On 11 April 2017, the Group acquired the remaining 50% equity interest in a 50% owned joint venture, Wider S.R.L. (“Wider”). The goodwill on acquisition of US$10.9 million has been fully impaired during the year ended 31 December 2017 after assessment by the Group.

(d) The Group waived an investor loan receivable of EUR0.5 million (approximately US$0.5 million) granted to Wider in prior years and the interest receivable of EUR0.2 million (approximately US$0.2 million) arising from an existing loan facility entered into between the Group and Wider to improve the equity position of Wider. As a result of the waiver, a loss of US$0.7 million to the Group was recorded for the year ended 31 December 2016.

6. Finance Costs

	Year ended 31 December	
	2017	2016
	US$'000	US$'000
	audited	audited
Commitment fees and amortisation of bank loans arrangement fees	13,778	17,156
Interests on bank loans and others	49,492	19,528
Interest capitalised for qualifying assets	(13,897)	(29,843)
Finance costs expensed	49,373	6,841

7. Loss Before Taxation

Loss before taxation is stated after charging the following:

	Year ended 31 December	
	2017	2016
	US$'000	US$'000
	audited	audited
Commission, incentives, transportation and other related costs	146,342	125,996
Onboard costs	84,125	92,457
Staff costs	445,324	424,949
Food and supplies	56,682	45,069
Fuel costs	85,073	51,339
Advertising expenses	93,423	77,567

8. Taxation

	Year ended 31 December	
	2017	2016
	US$'000	US$'000
	audited	audited
Overseas taxation		
- Current taxation	16,484	5,416
- Deferred taxation	(450)	1,778
	16,034	7,194
Under provision in respect of prior years		
- Current taxation	938	1,389
	16,972	8,583

The Group has incurred tax charges, as shown above, based on income derived from certain jurisdictions where it operates. The appropriate tax rates have been applied in order to determine the applicable tax charges in accordance with relevant tax regulations. Certain revenue of the Group derived from international waters or outside taxing jurisdictions is not subject to income tax and/or is eligible to tax exemption.

9. Loss Per Share

Loss per share is computed as follows:

	Year ended 31 December	
	2017	2016
	audited	audited
BASIC		
Loss attributable to equity owners of the Company for the year (US$'000)	(242,289)	(502,325)
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,482,490
Basic loss per share for the year in US cents	(2.86)	(5.92)
DILUTED		
Loss attributable to equity owners of the Company for the year (US$'000)	(242,289)	(502,325)
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,482,490
Effect of dilutive potential ordinary shares on exercise of share options, in thousands	- *	- *
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,482,490	8,482,490
Diluted loss per share for the year in US cents	(2.86)	(5.92)

* The calculation of diluted loss per share for the years ended 31 December 2017 and 2016 did not take into account the share options of the Company as the assumed exercise had an anti-dilutive effect on the basic loss per share. Therefore, the diluted loss per share is the same as basic loss per share.

10. Trade Receivables

	As at 31 December	
	2017	2016
	US$'000	US$'000
	audited	audited
Trade receivables	262,393	244,092
Less: Provisions	(195,456)	(194,327)
	66,937	49,765

The ageing analysis of trade receivables after provisions by invoice date is as follows:

	As at 31 December	
	2017	2016
	US$'000	US$'000
	audited	audited
Current to 30 days	58,000	45,731
31 days to 60 days	3,060	1,760
61 days to 120 days	5,272	126
121 days to 180 days	62	789
181 days to 360 days	70	87
Over 360 days	473	1,272
	66,937	49,765

Credit terms generally range from payment in advance to 45 days credit (31 December 2016: payment in advance to 45 days credit).

Receivables amounting to US$3.1 million (2016: US$4.5 million) are secured by the underlying pledged securities and bear interest ranging from 5.3% to 6.3% (2016: 5.0% to 6.5%) per annum.

11. Trade Payables

The ageing analysis of trade payables based on invoice date is as follows:

	As at 31 December	
	2017	2016
	US$'000	US$'000
	audited	audited
Current to 60 days	70,090	63,191
61 days to 120 days	8,141	3,098
121 days to 180 days	12,157	8,413
Over 180 days	10,624	10,904
	101,012	85,606

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2016: no credit to 45 days credit).

12. Dividends

A final dividend in respect of the year ended 31 December 2017 of US$0.01 per ordinary share (2016: US$0.01) amounting to a total dividend of approximately US$84,825,000 (2016: US$84,825,000) was recommended by the Directors at a meeting held on 29 March 2018, which will be payable subject to shareholders' approval at the 2018 annual general meeting of the Company. The proposed final dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2018. Subject to the approval by the shareholders of the Company at the 2018 annual general meeting of the Company, the proposed final dividend will be paid on 17 July 2018 in US$ to the shareholders of the Company whose names appear on the Registers of Members of the Company (both the Principal Register in Bermuda and Hong Kong Branch Register) on 5 July 2018.

An interim dividend of US$0.01 per ordinary share (2016: Nil) was paid to shareholders of the Company on 29 September 2017.

BUSINESS REVIEW

The commentary below is prepared based on the comparison of results for the years ended 31 December 2017 ("2017") and 2016 ("2016") of the Group.

Loss for the year of the Group improved from US$504.2 million in 2016 to US$244.3 million in 2017. The reduction in loss is mainly attributable to a number of factors including:

(i) One-off gain of US$205.0 million in respect of the disposal of certain available-for-sale investments and the absence of an impairment loss on ordinary shares in NCLH of US$305.0 million in 2016; offset by:

(ii) Start-up losses in the Dream Cruises brand for World Dream that 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. 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 in late 2017 and Crystal Serenity in late 2018 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 January and March 2018 respectively, the Group will 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.

Revenue

Revenue from cruise and cruise-related activities increased 11.9% to US$1,016.0 million in 2017 compared with US$908.1 million in 2016. Net Revenue in 2017 increased 14.0% to US$786.0 million from US$689.7 million in 2016 due to an increase in Capacity Days of 33.7%. The increase in Capacity Days was primarily due to the inclusion of full year operation of Genting Dream and Crystal Mozart as well as the launch of World Dream, Crystal Bach and Crystal Mahler during 2017.

Revenue from shipyard operations and non-cruise activities from external customers increased 60.6% to US$174.4 million in 2017 compared with US$108.6 million in 2016 primarily contributed by revenue from its shipyard activities and from sales of residential property units in Mainland China.

Costs and Expenses

Total operating expenses, excluding depreciation and amortisation, increased 25.6% to US$1,066.2 million from US$848.8 million in 2016 due to inclusion of full year operation of Genting Dream and Crystal Mozart as well as the launch of World Dream, Crystal Bach, Crystal Mahler and AirCruises during 2017, and full year startup and newbuild activities of the shipyards in Germany to gear up for the Global Class and Endeavor Class ships in 2017, as compared with its eight months' post-acquisition activities in 2016. Selling, general and administrative expenses, excluding depreciation and amortisation, increased 10.2% to US$285.2 million in 2017 from US$258.9 million in 2016 mainly due to the full year operation of Genting Dream and higher marketing costs of Crystal Cruises.

Net Cruise Cost per Capacity Day decreased 10.2% primarily due to better cost control of Star Cruises and Dream Cruises fleet, such decrease was partially offset by higher fuel expenses (2017: US$401 per metric ton; 2016: US$318 per metric ton).

Total depreciation and amortisation expenses increased 44.1% to US$190.5 million in 2017 compared with US$132.2 million in 2016 primarily due to additional depreciation of new Dream and Crystal cruise vessels and full year depreciation of shipyards in Germany acquired in April 2016.

Share of Profit / (Loss) of Joint Ventures and Associates

Share of profit of joint ventures and associates totalled US$1.3 million compared with US$32.4 million in 2016. The decrease is mainly due to lower contribution from Travellers which was affected by closure of the gaming area and portions of non-gaming segment for most of June 2017 following the incident on 2 June.

Other Expenses, net

Net other expenses in 2017 amounted to US$0.8 million compared with US$7.5 million in 2016. In 2017, net other expenses mainly included write off and loss on disposal of property, plant and equipment of US$17.3 million, which was partially offset by the gain on foreign exchange amounted to US$12.9 million resulting from appreciation of certain foreign currencies against US dollar and other miscellaneous income of US$3.6 million. In 2016, net other expenses mainly included the reorganisation costs for shipyard operations amounted to US$13.0 million which was partially offset by other miscellaneous income of US$6.4 million.

Other Gains / (Losses), net

Net other gains in 2017 amounted to US$166.1 million compared with net other losses of US$301.1 million in 2016. In 2017, net other gains mainly included US$205.0 million gain on disposal of certain available-for-sale investments and impairment loss of US$22.6 million on an aircraft.

Net other losses in 2016 mainly included an impairment loss of US$305.0 million on ordinary shares in NCLH and US$10.0 million gain on disposal of certain available-for-sale investments.

Net Finance Costs / Income

Net finance costs (i.e. finance costs, net of finance income) in 2017 of US$42.3 million was recorded compared with the net finance income (i.e. finance income, net of finance costs) amounted to US$3.7 million in 2016 primarily due to higher interest expenses resulting from higher outstanding loan balances and borrowing rates and lower capitalised interest for certain qualifying assets.

Loss Before Taxation

Loss before taxation for 2017 was US$227.3 million compared with loss before taxation of US$495.6 million in 2016.

Loss Attributable To Equity Owners

Loss attributable to equity owners of the Company was US$242.3 million for 2017 compared with the loss attributable to equity owners of US$502.3 million in 2016.

Liquidity and Financial Resources

As at 31 December 2017, cash and cash equivalents amounted to US$1,147.7 million, an increase of US$107.4 million compared with US$1,040.3 million as at 31 December 2016. The increase in cash and cash equivalents was primarily due to cash inflow of (i) net proceeds from disposal of available-for-sale investments of US$862.7 million; and (ii) US$1,292.3 million from loans drawdown. The cash inflow was partially offset by cash outflow of (i) US$1,236.6 million for capital expenditure of property, plant and equipment (including US$24.2 million for Star Cruises' and Dream Cruises' existing vessels, US$678.6 million for Dream Cruises new build vessel, US$246.4 million for Crystal Cruises vessels and aircrafts); (ii) US$616.3 million for repayment of existing bank loans and borrowings and payments of financing costs; and (iii) payment of dividends of US$169.7 million.

The majority of the Group's cash and cash equivalents are held in US dollar, Euro, Chinese Renminbi, Hong Kong dollar and Singapore dollar. The Group's liquidity as at 31 December 2017 amounted to US$1,784.2 million (31 December 2016: US$1,269.7 million), which comprised cash and cash equivalents and undrawn credit facilities.

As at 31 December 2017, total loans and borrowings amounted to US$1,888.2 million (31 December 2016: US$1,172.2 million) and were mainly denominated in US dollar. Approximately 39% (31 December 2016: 1%) of the Group's loans and borrowings was under fixed rate and 61% (31 December 2016: 99%) was under floating rate. Loans and borrowings of US$297.4 million (31 December 2016: US$135.2 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$2.9 billion (31 December 2016: US$2.0 billion).

The Group was in a net debt position of US$740.5 million as at 31 December 2017, as compared with US$131.9 million as at 31 December 2016. The total equity of the Group was approximately US$4,579.3 million (31 December 2016: US$4,823.2 million). The gearing ratio as at 31 December 2017 was 16.2% (31 December 2016: 2.7%). The ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including "current and non-current loans and borrowings" as shown in the consolidated statement of financial position) less cash and cash equivalents.

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 foreign exchange exposure primarily through foreign currency forward contracts. It is also the Group's policy that hedging will not be performed in excess of actual requirement.

Travellers

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 US dollar in conformity with the Group's reporting currency.

In 2017, Travellers reported P19,258.9 million (US$381.3 million) in net revenues and P3,458.3 million (US$68.5 million) in EBITDA, compared with P25,094.6 million (US$527.2 million) in net revenues and P6,420.5 million (US$134.9 million) in EBITDA in 2016.

Direct costs amounted to P9,093.2 million (US$180.0 million) in 2017, which decreased from P10,616.1 million (US$223.0 million) in 2016. The decrease was primarily due to decrease in gaming license fees in 2017.

General and administrative expenses amounted to P8,639.3 million (US$171.1 million) in 2017, compared with P9,701.1 million (US$203.8 million) in 2016. The decrease was due to (i) decrease in general and marketing expenses mainly pertains to commission paid to junket operators; and partially offset by (ii) full year depreciation for Marriott West Wing which was capitalised in November 2016.

Finance costs amounted to P844.5 million (US$16.7 million) in 2017, which decreased from P1,458.6 million (US$30.7 million) in 2016, primarily due to maturity of the US$300.0 million bond in November 2017 which took away the foreign exchange fluctuation and brought down interest expenses.

Losses from casualty, net of insurance claims amounted to P430.4 million (US$8.5 million) as a result of the incident on 2 June 2017.

Net profit decreased from P3,398.5 million (US$71.4 million) in 2016 to P241.7 million (US$4.8 million) in 2017.

The cash and cash equivalents balance decreased from P13,250.2 million (US$267.7 million) as at 31 December 2016 to P10,553.2 million (US$212.1 million) as at 31 December 2017, while the loans and borrowings balance increased from P21,879.1 million (US$442.0 million) as at 31 December 2016 to P31,443.1 million (US$632.0 million) as at 31 December 2017 for capital expenditure requirements.

Prospects and Strategy

Genting Cruise Lines, a new division of Genting Hong Kong comprising of the three cruise brands, Dream Cruises – "Asia's Global Cruise Line", Star Cruises – "The Most Popular Cruise Line in Asia", and Crystal Cruises "The World's Most Awarded Luxury Cruise Line", will continue to expand our business and provide global itineraries for our passengers.

With the rapid growth of cruise passengers in the Asian region, the Company decided to order two new 150,000 gross ton cruise ships in 2013 for delivery in November 2016 and November 2017. In order to differentiate the new, billion-dollar ships from the older tonnage in the market, Dream Cruises was established with the first ship "Genting Dream" positioned in the Pearl River Delta of China with dual homeports in Guangzhou and Hong Kong. With the launch of "World Dream" in November 2017 in Guangzhou and Hong Kong, "Genting Dream" was re-positioned to Singapore for homeporting. Both ships operate a variety of itineraries including 2-night weekend getaway cruises and 2, 3 and 5-night weekday cruises to destinations in the region. The World Dream visits the Okinawa Islands in Japan during the summer season and Manila and Boracay in the Philippines and Ho Chi Minh City and Nha Trang in Vietnam during the winter season. The Genting Dream visits Bali and Surabaya in Indonesia, Kuala Lumpur and Penang in Malaysia and Phuket in Thailand. Both ships are profitable and continue to improve with refined itineraries, more channels of distribution, increased market penetration and more efficiency in operations.

Dream Cruises has been very well received in the Asian market, being the first authentic Asian designed ship drawing on the 25 years' experiences of the Company. Genting Dream was ranked 6th in "The Top 10 Large Resort Ships" by the highly-revered "Berlitz Cruising & Cruise Ships 2018 (Berlitz Cruise Guide)". This acknowledgement comes on the heels of other awards for Dream Cruises such as the Global Times's 'Best Preferred Cruise Brand for Families' award, Travel Weekly Asia Reader's Choice Awards 2017 'Best New Ship' award for the Genting Dream, 'Best Cruise Line – Entertainment' award for Dream Cruises, Genting Dream's Garden Penthouse listed on 'The Ocean's Most Exclusive Rooms' by CNN and many other awards.

Prospects and Strategy (continued)

Asia is the world's largest and fastest growing outbound market, in particular Chinese outbound tourists. About a billion people in Asia will reach middle-class status by 2030 and they have the disposable income to travel and cruise. In addition to boarding from nearby homeports, Asians who are traveling to other regions such as Australia/New Zealand, Europe and the Americas will increasingly consider cruising as the more comfortable and convenient alternative to a land vacation. As compared with other nations such as the United States, United Kingdom, Germany and Italy who have multiple global cruise brands, Dream Cruises' mission is to become "Asia's Global Cruise Line", offering not only cruises in Asia but in other global regions such as Australia, Europe and the United States. These global itineraries mean advanced bookings and payments as passengers have to book flights to travel to those destinations.

With a global fleet in mind, the Company designed, from the ground up, the 204,000 gross ton "Global Class" ships with features preferred by the Asian source markets. Whilst the ships are similar in size to the latest generation of ships of other cruise lines, the "Global Class" ships will incorporate Asia's early adoption of artificial intelligence and biometrics such as facial recognition & voice activation, robotics, and other digital advancements. The "Global Class" ships will also feature the world's first Cineplex and theme park with roller coaster, Asian and Western spa facilities, multiple authentic Asian dining experiences, including fast-casual food alternatives, and affordable shopping facilities in addition to luxury retail boutiques.

The "Global Class" ships are designed with spacious standard staterooms, which are larger than other cruise lines and can accommodate 2, 3 or 4 passengers with a king bed and king sofa bed. Split (two) bathrooms are convenient as two persons can be using them at the same time. For Asians who usually travel with families, the ability to offer free fares for the third and fourth passengers in the same cabin during the low season will be a great competitive advantage and the ability to price full fares for four passengers during the peak season will significantly improve yields. In order to cater for the peak season, sufficient lifeboats are provided for a peak capacity of 9,500 passengers. 8 sets of escalators will connect public areas for efficient traffic flow.

After three years of design, the steel cutting ceremony for the first of two Global Class ships occurred on March 8, 2018 at GHK-owned MV Werften and these ships are to be delivered in late 2020 and 2021. These two Global Class ships are currently planned to be positioned in Shanghai and Tianjin during the summer months and in Australia, New Zealand, California and the ASEAN region during the winter months. With four new large ships and world itineraries, Dream Cruises will be "Asia's Global Cruise Line" with the youngest cruise fleet in the world.

Star Cruises will position SuperStar Virgo mainly in Shanghai and Manila, with shorter deployment in Taiwan, Dalian, Tianjin and Qindao. SuperStar Aquarius will continue her deployment in Keelung. SuperStar Gemini will spend the majority of her time in Xiamen and in Keelung during the winter. These ships offer cruises to Naha, Miyakojima, Ishigaki and ports in the main island of Kyushu. Star Cruises was voted "Asia's Leading Cruise Line 2017" at the 24th Annual World Travel Awards Asia & Australasia Gala Ceremony in June 2017. In addition, Star Cruises received 'Best Itinerary' from Shanghai Cruise Tourism Festival for SuperStar Virgo's 7-night cruises to Osaka and Tokyo with additional port of calls at Mount Fuji and Kagoshima in September 2017. The Company is starting the design of a new class of ships for Star Cruises to replace the current fleet in the coming years.

Crystal Cruises' two ocean cruise ships are being extensively renovated to allow for open dining seating, a must have feature in luxury cruise ships. Open seating was achieved by an increase in the number of suites, which lowers passenger capacity and adding new culinary venues. Crystal Symphony was renovated in October 2017 with great reviews and Crystal Serenity will be renovated in November 2018. Crystal River Cruises is comprised of five all-suite river ships including the completely reimagined Crystal Mozart (July 2016), and four new build sister ships: Crystal Bach (August 2017), Crystal Mahler (September 2017), Crystal Debussy (April 2018), and Crystal Ravel (May 2018). Crystal Yacht Expedition Cruises offers boutique yachting aboard the reimagined all-suite Crystal Esprit (December 2015), and polar expedition cruising on the purpose-built PC6 Crystal Endeavor, the world's premier luxury polar class expedition yacht (debuting 2020). Crystal AirCruises' fully customized Boeing 777-200LR jet, Crystal Skye (August 2017), is available for private charter on customized global itineraries and two special AirCruises to Sydney and Tahiti during the last New Year holiday and an African safari during China's "Golden Week". Further, a new class of ocean ships are being designed for Crystal's ocean fleet to provide more itineraries for guests and reach increasing economies of scale.

Crystal Cruises remains "The World's Most Awarded Luxury Cruise Line," continuing to earn top accolades from consumer and travel industry experts from around the world. In 2017, Travel + Leisure awarded Crystal River Cruises "World's Best River Cruise Line," and Crystal Yacht Expedition Cruises "World's Best Small-Ship Ocean Cruise." In her debut year, Crystal Mozart was voted the "Best New River Ship" by Cruise Critic.

Prospects and Strategy (continued)

Due to long delivery dates for cruise ships with orders up to 2026, MV Werften, a group of three shipyards in Germany continues to support Genting Cruise Lines with newbuilding efforts. Two “Rhine Class” river ships were delivered in 2017 and two more in 2018. The first “Endeavor Class” expedition yacht for Crystal Cruises will be delivered in late 2019 and the first of two 204,000 gross ton “Global Class” ships for Dream Cruises will be delivered in late 2020.

Zouk continues to solidify its regional expansion as a premium lifestyle and nightlife brand for millennials via its various entities such as F&B outlets, nightclubs and festivals. Zouk has continued to hold annual dance music festival ZoukOut in December, which last attracted 41,000 millennials over 2 days. The 2017 edition was live-streamed to China and reached 1.8 million youth, with more ambitious plans to focus on experiential elements for the festival in 2018. Zouk’s latest social gaming lounge concept Red Tail has seen phenomenal success since its inception in December of last year and Zouk Genting in Genting Highlands Resort will open in Q4 2018.

New, exciting projects in Zouk’s pipeline include opening a hip seafood concept by 2018 and franchising the Zouk Club model in various other countries. Zouk is committed to its goal of being an industry leader in the global nightlife and lifestyle scene, all whilst introducing millennials to the new Zouk entities and existing Genting group entities. Zouk Singapore clinched #3 in the DJ Mag Top 100 Clubs in The World poll, the best so far in its last 27 years of existence. The DJ Mag poll is the world’s preeminent industry benchmark in the dance music scene.

Resorts World Manila (RWM), the Philippines’ pioneer integrated entertainment and tourism destination, marked its eighth year in operation with significant milestones, continuous expansion, and many world-class entertainment offerings. In April, an enclosed air-conditioned pedestrian bridge directly connecting Ninoy Aquino International Airport (NAIA) Terminal 3 to Newport City and the RWM complex was officially opened. Dubbed Runway Manila, the bridge, with moving walkways, allows the average person to walk the distance between the airport and Newport City in just a few minutes.

Phase 3 of RWM’s expansion will continue to be fast-tracked in 2018 when international chain InterContinental Hotels Group (IHG) opens its first and only Holiday Inn Express location in the country in Q1, replacing RWM’s value for money Remington Hotel. Completion of the Sheraton Manila Hotel, Hilton Manila, and Hotel Okura Manila is targeted for the fourth quarter, effectively making RWM a six-hotel integrated resort. The new lodgings will also include additional gaming areas, more retail space, and six basement parking decks. The Sheraton Manila Hotel will offer 391 new hotel rooms and Hotel Okura Manila an additional 190 rooms, while Hilton Manila will house 355 rooms. Upon completion of all three, RWM’s room count will increase to 2,390 – the biggest among all the integrated resorts in the Philippines. The Westside City Resorts World, a 31-hectare property situated in Philippine Amusement and Gaming Corporation’s (PAGCOR) Entertainment City, is planned for 2021 with about 1,000 hotel rooms operated under selected international hotel brands.

Operating Statistics

The following table sets forth selected statistical information:

	Year ended 31 December	
	2017	2016
Passenger cruise days	3,692,223	2,922,480
Capacity days	4,781,990	3,576,660
Occupancy percentage	77.2%	81.7%

In relation to the Group's cruise and cruise-related activities, Net Revenue, Gross Yield and Net Yield were calculated as follows:

	Year ended 31 December	
	2017 US$'000	2016 US$'000
Passenger ticket revenue	611,986	503,448
Onboard revenue	404,020	404,663
Total cruise and cruise-related revenue	1,016,006	908,111
Less:		
Commission, incentives, transportation and other related costs	(146,076)	(125,996)
Onboard costs	(83,944)	(92,457)
Net Revenue	785,986	689,658
Gross Yield (US$)	212.5	253.9
Net Yield (US$)	164.4	192.8

In relation to the Group's cruise and cruise-related activities, Gross Cruise Cost, Net Cruise Cost and Net Cruise Cost Excluding Fuel were calculated as follows:

	Year ended 31 December	
	2017 US$'000	2016 US$'000
Total operating expenses	1,241,737	972,175
Total selling, general and administrative expenses	300,185	267,695
	1,541,922	1,239,870
Less: Depreciation and amortisation	(190,505)	(132,201)
	1,351,417	1,107,669
Less: Expenses relating to shipyard operations and non-cruise activities	(292,094)	(198,968)
Gross Cruise Cost	1,059,323	908,701
Less:		
Commission, incentives, transportation and other related costs	(146,076)	(125,996)
Onboard costs	(83,944)	(92,457)
Net Cruise Cost	829,303	690,248
Less: Fuel costs	(84,420)	(51,339)
Net Cruise Cost Excluding Fuel	744,883	638,909
Gross Cruise Cost per Capacity Day (US$)	221.5	254.1
Net Cruise Cost per Capacity Day (US$)	173.4	193.0
Net Cruise Cost Excluding Fuel per Capacity Day (US$)	155.8	178.6

SIGNIFICANT SUBSEQUENT EVENT

In February 2018, the Group entered into an underwriting agreement to dispose of 9.75 million ordinary shares in NCLH for a consideration of approximately US$543.6 million. The Group expects to recognise a gain on disposal of approximately US$24.4 million during the year ending 31 December 2018.

CLOSURE OF REGISTERS OF MEMBERS

(i) For determining the entitlements to attend and vote at the 2018 annual general meeting of the Company ("AGM")

The Registers of Members of the Company (both the Principal Register in Bermuda and Hong Kong Branch Register) will be closed from 12 June 2018 to 15 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, shareholders of the Company are reminded to ensure that all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Bermuda Principal Registrar, MUFG Fund Services (Bermuda) Limited c/o RBC Corporate Services Hong Kong Limited at 51/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong SAR; or Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong SAR, by no later than 4:30 p.m. on 11 June 2018.

(ii) For determining the entitlements to the proposed final dividend

The Registers of Members of the Company (both the Principal Register in Bermuda and Hong Kong Branch Register) will be closed from 3 July 2018 to 5 July 2018, both days inclusive, during which period no transfer of shares will be registered, for determining the entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, shareholders of the Company are reminded to ensure that all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Bermuda Principal Registrar, MUFG Fund Services (Bermuda) Limited c/o RBC Corporate Services Hong Kong Limited at 51/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong SAR; or Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong SAR, by no later than 4:30 p.m. on 29 June 2018.

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 2017.

CORPORATE GOVERNANCE

In the opinion of the Directors, during the year ended 31 December 2017, 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.1.3, A.2.1, E.1.2 and F.1.3 as listed below:

(a) Code Provision A.1.3 states that notice of at least 14 days should be given of a regular Board meeting.

(b) 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.

(c) Code Provision E.1.2 states that the Chairman of the Board should attend the annual general meeting and invite the Chairmen of the Audit, Remuneration, Nomination and any other Committees (as appropriate) to attend and in their absence, invite another member of the committee or failing this, his duly appointed delegate, to attend.

(d) 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 aforesaid deviations were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2016 issued in April 2017 as well as the interim report of the Company for the six months ended 30 June 2017 issued in September 2017.

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 2017, 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. Justin Tan Wah Joo, 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. Lam Wai Hon, Ambrose and Mr. Justin Tan Wah Joo.

On behalf of the Board

TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 29 March 2018

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.

Terminology

Unless otherwise indicated in this announcement, the following terms have the meanings set forth below:

- Capacity Days: double occupancy per available cabin multiplied by the number of cruise days for the period

- EBITDA: earnings before interest, taxes, depreciation and amortisation. EBITDA excludes, if any, share of profit of joint ventures and associates, other income/gains or expenses/losses

- Gross Cruise Cost: the sum of total operating expenses and selling, general and administrative expenses less expenses relating to shipyard operations and non-cruise activities

- Gross Yield: total revenue from cruise and cruise-related activities per Capacity Day

- Net Cruise Cost: Gross Cruise Cost less commission, incentives, transportation and other related costs and onboard costs

- Net Cruise Cost Excluding Fuel: Net Cruise Cost less fuel costs

- Net Revenue: total revenue from cruise and cruise-related activities less commission, incentives, transportation and other related costs and onboard costs

- Net Yield: Net Revenue per Capacity Day

- Occupancy Percentage: the ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins

- Passenger Cruise Days: the number of passengers carried for the period, multiplied by the number of days in their respective cruises

- Travellers: Travellers International Hotel Group, Inc.