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Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2016 US\$'000	2015 US\$'000
Revenue	3	audited 1,016,668	audited 689,954
Operating expenses			
Operating expenses excluding depreciation and amortisation		(848,789)	(528,437)
Depreciation and amortisation		(123,386)	(87,505)
		(972,175)	(615,942)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(258,880)	(155,362)
Depreciation and amortisation		(8,815)	(7,403)
		(267,695)	(162,765)
		(1,239,870)	(778,707)
		(223,202)	(88,753)
Share of (loss) / profit of joint ventures		(516)	247
Share of profit of associates		32,890	36,418
Other expenses, net	4	(7,474)	(42,888)
Other (losses) / gains, net	5	(301,054)	2,223,778
Finance income		10,548	11,363
Finance costs	6	(6,841)	(25,959)
		(272,447)	2,202,959
(Loss) / Profit before taxation	7	(495,649)	2,114,206
Taxation	8	(8,583)	(8,151)
(Loss) / Profit for the year		(504,232)	2,106,055

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 December	
		2016	2015
		US\$'000 audited	US\$'000 audited
(Loss) / Profit for the year		(504,232)	2,106,055
Other comprehensive (loss) / income:			
Items that have been or may be reclassified to profit or loss:			
Foreign currency translation differences		(50,104)	(41,578)
Fair value loss on derivative financial instruments		(14,271)	(4,230)
Fair value (loss) / gain on available-for-sale investments		(402,952)	215,187
Transfer of available-for-sale investments reserve to profit or loss on impairment		305,034	-
Share of other comprehensive income of an associate		136	16,658
Cash flow hedges transferred to profit or loss		-	19,365
Release of reserves upon disposal of available-for-sale investments		(10,022)	(63,517)
Release of reserves upon disposal of equity interest in an associate		-	29,191
Release of reserves upon disposal of a joint venture		-	1,721
		(172,179)	172,797
Item that will not be reclassified subsequently to profit or loss:			
Actuarial loss on retirement benefit plans		(819)	-
Other comprehensive (loss) / income for the year		(172,998)	172,797
Total comprehensive (loss) / income for the year		(677,230)	2,278,852
(Loss) / Profit attributable to:			
Equity owners of the Company		(502,325)	2,112,687
Non-controlling interests		(1,907)	(6,632)
		(504,232)	2,106,055
Total comprehensive (loss) / income attributable to:			
Equity owners of the Company		(675,323)	2,285,484
Non-controlling interests		(1,907)	(6,632)
		(677,230)	2,278,852
(Loss) / Earnings per share attributable to equity owners of the Company			
- Basic (US cents)	9	(5.92)	25.50
- Diluted (US cents)	9	(5.92)	25.48
Final dividend	12	84,825	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December	
		2016	2015
		US\$'000	US\$'000
		audited	audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		3,111,526	1,978,555
Land use right		3,671	4,040
Intangible assets		80,189	52,372
Interests in joint ventures		3,847	6,942
Interests in associates		549,885	542,319
Deferred tax assets		2,130	761
Available-for-sale investments		9,585	207,530
Other assets and receivables		11,909	23,918
		<u>3,772,742</u>	<u>2,816,437</u>
CURRENT ASSETS			
Properties under development		45,056	20,393
Inventories		65,947	52,553
Trade receivables	10	49,765	51,257
Prepaid expenses and other receivables		173,434	126,192
Available-for-sale investments		1,257,073	1,488,341
Amounts due from related companies		1,153	1,752
Restricted cash		141,251	173,035
Cash and cash equivalents		1,040,274	1,778,745
		<u>2,773,953</u>	<u>3,692,268</u>
TOTAL ASSETS		<u><u>6,546,695</u></u>	<u><u>6,508,705</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December	
		2016	2015
	Note	US\$'000	US\$'000
		audited	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		111,780	111,644
Foreign currency translation adjustments		(137,601)	(93,784)
Available-for-sale investments reserve		104,037	218,264
Cash flow hedge reserve		(17,280)	(3,009)
Retained earnings		2,897,616	3,400,760
		4,785,258	5,460,581
Non-controlling interests		37,958	39,865
TOTAL EQUITY		4,823,216	5,500,446
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		1,036,936	444,150
Deferred tax liabilities		18,597	14,913
Provisions, accruals and other liabilities		1,123	-
Retirement benefit obligations		8,934	7,906
Advance ticket sales		19,394	-
		1,084,984	466,969
CURRENT LIABILITIES			
Trade payables	11	85,606	68,284
Current income tax liabilities		6,875	7,527
Provisions, accruals and other liabilities		224,062	169,368
Current portion of loans and borrowings		135,243	87,160
Derivative financial instruments		17,280	3,009
Amounts due to related companies		2,458	571
Advance ticket sales		166,971	205,371
		638,495	541,290
TOTAL LIABILITIES		1,723,479	1,008,259
TOTAL EQUITY AND LIABILITIES		6,546,695	6,508,705
NET CURRENT ASSETS		2,135,458	3,150,978
TOTAL ASSETS LESS CURRENT LIABILITIES		5,908,200	5,967,415

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 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, leisure, entertainment and hospitality activities.

These audited consolidated financial statements have been approved for issue by the Board of Directors on 16 March 2017.

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 2016 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 revaluations of available-for-sale investments 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 2015, except that the Group has adopted the following amendments to HKFRSs that are first effective for the current accounting period:

- (i) HKAS 16 and HKAS 38 (Amendments), “Clarification of acceptable methods of depreciation and amortisation” (effective from 1 January 2016). The amendments clarify the prohibition of revenue based depreciation for property, plant and equipment and rebuttable presumption that revenue based amortisation is appropriate for intangible assets. The standards and amendments do not have a material impact on the Group’s consolidated financial statements.
- (ii) HKAS 27 (Amendments), “Equity method in separate financial statements” (effective from 1 January 2016). The amendments include the option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The standard and amendment do not have a material impact on the Group’s consolidated financial statements.
- (iii) HKFRS 11 (Amendments), “Accounting for acquisitions of interests in joint operations” (effective from 1 January 2016). The amendments clarify the treatment of acquisition of interest in joint operations that meet the definition of business in HKFRS 3. The amendments do not have a material impact on the Group’s consolidated financial statements.
- (iv) HKFRSs (Amendments), “Annual improvements to HKFRSs 2012–2014 Cycle” (effective from 1 January 2016). The amendments include changes to HKFRS 7, “Financial instruments: Disclosures”, HKAS 19, “Employee benefits” and HKAS 34 “Interim financial information”. The amendments do not have a material impact on the Group’s consolidated financial statements.

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

- (v) HKAS 1 (Amendments), “Disclosure initiative” (effective from 1 January 2016). The amendments clarify guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments do not have a material impact on the Group’s consolidated financial statements.
- (vi) HKFRS 10, HKFRS 12 and HKAS 28 (Amendments), “Investment entities: applying the consolidation exception” (effective from 1 January 2016). The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. 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 information.

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 2016.

There have been no material changes in any risk management policies.

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 and non-cruise operation. Accordingly, two reportable segments namely, cruise and cruise-related activities 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 us. Onboard revenue primarily consists of revenue from food and beverage sales, shore excursion, entertainment and other onboard services.

Revenue from our non-cruise activities primarily consists of revenue from our onshore hotel, travel agent, aviation, entertainment, shipyard businesses 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 2016 due to the full year contribution from Crystal Cruises. However, the one-time start-up and marketing costs for the launch of new Dream and Crystal Cruises’ brands and products in 2016, together with higher overall operating and selling, general and administrative expenses including depreciation and amortisation resulted in an increase in segmental loss of our “cruise and cruise-related activities”. Higher revenue of non-cruise activities was primarily contributed by revenue from yard repairs and conversion activities as a result of the acquisition of shipyards in Germany. The increase in segmental loss of our “non-cruise activities” was mainly due to additional depreciation and amortisation, start-up and acquisition related costs arising from its shipyard operations and newbuilding activities.

3. Revenue and Segment Information (Continued)

The segment information of the Group is as follows:

<u>audited</u> For the year ended 31 December 2016	Cruise and cruise-related activities US\$'000	Non-cruise activities US\$'000	Total US\$'000
Passenger ticket revenue	503,448	-	503,448
Onboard revenue	404,663	-	404,663
Other revenue	-	108,557	108,557
Total revenue from external customers	908,111	108,557	1,016,668
Inter-segment revenue	-	62,580	62,580
Reportable segment revenue	908,111	171,137	1,079,248
Segment results	(106,236)	(116,966)	(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)

<u>audited</u> As at 31 December 2016	Cruise and cruise-related activities US\$'000	Non-cruise activities US\$'000	Total US\$'000
Segment assets	3,673,773	2,872,922	6,546,695
Total assets			6,546,695
Segment liabilities	182,767	361,658	544,425
Loans and borrowings (including current portion)	1,162,225	9,954	1,172,179
	1,344,992	371,612	1,716,604
Current income tax liabilities			6,875
Total liabilities			1,723,479
Capital expenditure:			
Property, plant and equipment	1,004,087	37,868	1,041,955
Acquisitions of subsidiaries and business	-	229,160	229,160
	1,004,087	267,028	1,271,115
Depreciation and amortisation	105,647	26,554	132,201

3. Revenue and Segment Information (Continued)

<u>audited</u> For the year ended 31 December 2015	Cruise and cruise-related activities US\$'000	Non-cruise activities US\$'000	Total US\$'000
Passenger ticket revenue	289,133	-	289,133
Onboard revenue	363,713	-	363,713
Other revenue	-	37,108	37,108
Total revenue from external customers	652,846	37,108	689,954
Inter-segment revenue	-	-	-
Reportable segment revenue	652,846	37,108	689,954
Segment results	(49,513)	(39,240)	(88,753)
Share of profit of joint ventures			247
Share of profit of associates			36,418
Other expenses, net			(42,888)
Other gains, net			2,223,778
Finance income			11,363
Finance costs			(25,959)
Profit before taxation			2,114,206
Taxation			(8,151)
Profit for the year			2,106,055

<u>audited</u> As at 31 December 2015	Cruise and cruise-related activities US\$'000	Non-cruise activities US\$'000	Total US\$'000
Segment assets	3,498,752	3,009,953	6,508,705
Total assets			6,508,705
Segment liabilities	408,560	60,862	469,422
Loans and borrowings (including current portion)	519,180	12,130	531,310
	927,740	72,992	1,000,732
Current income tax liabilities			7,527
Total liabilities			1,008,259
Capital expenditure:			
Property, plant and equipment	390,259	10,937	401,196
Acquisitions of subsidiaries and business	509,017	33,834	542,851
	899,276	44,771	944,047
Depreciation and amortisation	84,062	10,846	94,908

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 non-cruise activities are based on the location at which the services were provided or based on the location of the customers in respect of contract revenue.

	Year ended 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Asia Pacific (note (a))	571,192	478,712
America	256,810	66,629
Europe	172,852	130,989
Others	15,814	13,624
	<u>1,016,668</u>	<u>689,954</u>

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

	As at 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Asia Pacific (note (a))	2,569,271	1,786,780
Europe	333,598	37,237
Unallocated (note (b))	846,249	760,211
	<u>3,749,118</u>	<u>2,584,228</u>

Notes:

- (a) Asia Pacific mainly includes Australia, Cambodia, China, Hong Kong, Indonesia, Japan, Malaysia, Singapore, Taiwan, Thailand and Vietnam.
- (b) With the exception of Crystal River Cruises ships operating in Europe, unallocated included non-current assets other than financial instruments and deferred tax assets (where applicable) of Crystal Cruises as it operates 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	
	2016	2015
	US\$'000	US\$'000
	audited	audited
(Loss) / Gain on disposal of property, plant and equipment	(3)	2,522
Loss on foreign exchange	(425)	(33,269)
Impairment loss on leasehold land (note (a))	-	(12,840)
Reorganisation costs (note (b))	(13,003)	-
Other income, net	5,957	699
	<u>(7,474)</u>	<u>(42,888)</u>

Notes:

- (a) The Group performed a review of the carrying value of certain of its property, plant and equipment and the interest in leasehold land. Accordingly, for the year ended 31 December 2015, the Group wrote down the carrying value of the leasehold land by US\$12.8 million, being the excess of the carrying value over the recoverable amount.

The development period for this leasehold land has expired on 1 August 2016. The Group is currently actively discussing with the local authority for an extension of the development deadline. This process is currently ongoing and based on advice from external legal counsel that there is a reasonable chance that the extension could be obtained by the Group.

- (b) 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 (Losses) / Gains, net

	Year ended 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Gain on disposal of available-for-sale investments (note (a))	10,022	63,134
Impairment loss on:		
- available-for-sale investments (note (b))	(307,730)	-
- other receivables	(2,689)	-
Gain on de-recognition of an associate (note (c))	-	1,954,508
Gain on disposal of equity interest in an associate (note (d))	-	212,500
Loss on disposal of a joint venture (note (e))	-	(6,364)
Waiver of loan and interest receivable from a joint venture (note (f))	(657)	-
	<u>(301,054)</u>	<u>2,223,778</u>

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

Notes:

- (a) The Group recorded a gain of US\$10.0 million arising from the disposal of certain available-for-sale investments during the year.

In August and December 2015, the Group entered into an underwriting agreement to dispose of 10.0 million and 5.17 million ordinary shares in NCLH (“NCLH Shares”) respectively for a consideration of approximately US\$590.0 million and US\$296.5 million respectively. Accordingly, a gain of approximately US\$44.5 million and US\$14.7 million respectively to the Group was recorded. In addition, the Group recorded a gain of US\$3.9 million, arising from the disposal of other available-for-sale investments.

- (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 NCLH Shares. 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 investment reserve to profit or loss. In addition, an impairment loss on an unlisted available-for-sale investment amounted to US\$2.7 million was recorded.

- (c) In May 2015, the Group entered into an underwriting agreement to sell 10.0 million NCLH Shares at an offering price of US\$54.66 per share and the disposal was completed on 26 May 2015. As a result, the percentage of NCLH Shares owned by the Group decreased from approximately 22.0% to approximately 17.7% and the Group ceased to account for its share of results and net assets of NCLH as an “associate” and, thereafter, recognised its interest in NCLH as an “available-for-sale investment”, giving rise to a gain amounting to approximately US\$1,954.5 million, which comprised (i) a gain of approximately US\$387.1 million representing the difference between the sale proceeds and the carrying value of the NCLH Shares disposed of, and (ii) an one-off accounting gain of approximately US\$1,567.4 million representing the difference between the market value of NCLH Shares retained by the Group as at 26 May 2015 and the carrying value of such retained NCLH Shares in the Group’s consolidated financial statements upon the reclassification of the Group’s interest in NCLH.

- (d) In March 2015, the Group entered into an underwriting agreement to sell 6.25 million NCLH Shares at an offering price of US\$50.76 per share. As a result of the share disposal, a gain of approximately US\$212.5 million to the Group was recorded and the percentage of NCLH Shares owned by the Group decreased from approximately 24.9% to approximately 22.1%.

- (e) In October 2015, the Group disposed of all of its 50% interest in Magical Gains Holdings Limited, a joint venture of the Group for a consideration of approximately US\$111.4 million. As a result of the disposal, a loss of approximately US\$6.4 million to the Group was recorded.

- (f) The Group waived an investor loan receivable of EUR0.5 million (approximately US\$0.5 million) granted to Wider S.R.L. (“Wider”), a joint venture of the Group, 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.

6. Finance Costs

	Year ended 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Commitment fees and amortisation of bank loans		
arrangement fees	17,156	10,105
Interests on:		
- bank loans and others	19,528	24,904
- convertible bonds	-	896
Interest capitalised for qualifying assets	(29,843)	(9,946)
Finance costs expensed	6,841	25,959

7. (Loss) / Profit Before Taxation

(Loss) / Profit before taxation is stated after charging the following:

	Year ended 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Included in operating expenses:		
Commission, incentives, transportation and other		
related costs	125,996	34,613
Onboard costs	92,457	121,418
Payroll and related costs	286,906	143,683
Food and supplies	45,069	28,167
Fuel costs	51,339	63,184
Included in selling, general and administrative		
expenses:		
Advertising expenses	77,567	40,295

8. Taxation

	Year ended 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Overseas taxation		
- Current taxation	5,416	3,984
- Deferred taxation	1,778	2,587
	7,194	6,571
Under provision in respect of prior years		
- Current taxation	1,389	1,580
	8,583	8,151

The Company, which is domiciled in Bermuda, is not subject to income tax. The Group has incurred tax charges, as shown above, based on income derived from certain jurisdictions where its subsidiaries operate. 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) / Earnings Per Share

(Loss) / Earnings per share is computed as follows:

	Year ended 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
<u>BASIC</u>		
(Loss) / Profit attributable to equity owners of the Company for the year	(502,325)	2,112,687
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,286,603
Basic (loss) / earnings per share for the year in US cents	(5.92)	25.50
<u>DILUTED</u>		
(Loss) / Profit attributable to equity owners of the Company for the year	(502,325)	2,112,687
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,286,603
Effect of dilutive potential ordinary shares, in thousands:		
- options	- *	3,478
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,482,490	8,290,081
Diluted (loss) / earnings per share for the year in US cents	(5.92)	25.48

* The calculation of diluted loss per share for the year ended 31 December 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	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Trade receivables	244,092	238,805
Less: Provisions	(194,327)	(187,548)
	49,765	51,257

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

	As at 31 December	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Current to 30 days	45,731	39,827
31 days to 60 days	1,760	2,647
61 days to 120 days	126	6,598
121 days to 180 days	789	803
181 days to 360 days	87	352
Over 360 days	1,272	1,030
	49,765	51,257

Credit terms generally range from payment in advance to 45 days credit (31 December 2015: payment in advance to 45 days credit).

Receivables amounting to US\$4.5 million (2015: US\$14.9 million) are secured by the underlying pledged securities and bear interest ranging from 5.0% to 6.5% (2015: 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	
	2016	2015
	US\$'000	US\$'000
	audited	audited
Current to 60 days	63,191	47,054
61 days to 120 days	3,098	5,195
121 days to 180 days	8,413	4,625
Over 180 days	10,904	11,410
	85,606	68,284

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2015: no credit to 45 days credit).

12. Final Dividend

A final dividend in respect of the year ended 31 December 2016 of US\$0.01 per ordinary share (2015: Nil) amounting to a total dividend of approximately US\$84,825,000 (2015: Nil) was recommended by the Directors at a meeting held on 16 March 2017, which will be payable subject to shareholders' approval at the 2017 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 2017. Subject to the approval by the shareholders of the Company at the 2017 annual general meeting of the Company, the proposed final dividend is expected to be paid on 17 July 2017 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) as at the close of business on 23 June 2017.

BUSINESS REVIEW

The commentary below is prepared based on the comparison of results for the years ended 31 December 2016 ("2016") and 2015 ("2015") of the Group.

Revenue

Revenue from cruise and cruise-related activities increased 39.1% to US\$908.1 million in 2016 compared with US\$652.8 million in 2015. Net Revenue in 2016 increased 38.8% to US\$689.7 million from US\$496.8 million in 2015 due to an increase in Capacity Days of 18.7% and 17.0% improvement in Net Yield. The increase in Capacity Days and Net Yield was primarily due to the inclusion of full year contribution from Crystal Cruises in 2016, as compared with its post-acquisition contribution since 15 May 2015 in the previous year, and the launch of Dream Cruises' Genting Dream in late October 2016.

Revenue from non-cruise activities from external customers increased 192.5% to US\$108.6 million in 2016 compared with US\$37.1 million in 2015 primarily contributed by revenue from yard repairs and conversion activities as a result of the acquisition of shipyards in Germany.

Costs and Expenses

Total operating expenses, excluding depreciation and amortisation, increased 60.6% to US\$848.8 million from US\$528.4 million in 2015 due to additional operating expenses mainly reflecting the full year operation of Crystal Cruises, delivery of Genting Dream in October 2016 and start-up costs arising from shipyard operations and newbuilding activities. Selling, general and administrative ("SG&A") expenses, excluding depreciation and amortisation, increased 66.6% to US\$258.9 million in 2016 from US\$155.4 million in 2015 mainly due to the full year operation of Crystal Cruises and one-time start-up and marketing costs for the launch of new Dream and Crystal Cruises' brand extensions in 2016.

Net Cruise Cost per Capacity Day increased 25.8% primarily due to inclusion of full year operation of Crystal Cruises and the launch of Genting Dream by Dream Cruises. This increase was partially offset by lower fuel expenses (2016: US\$318 per metric ton; 2015: US\$380 per metric ton).

Total depreciation and amortisation expenses increased 39.3% to US\$132.2 million in 2016 compared with US\$94.9 million in 2015 primarily due to additional depreciation from new Dream and Crystal cruise ships, newly acquired German shipyards and the full year operation of Crystal Cruises.

EBITDA

The Group's EBITDA for 2016 was negative US\$91.0 million, compared to US\$6.2 million in 2015. Cruise and cruise-related activities (excluding Dream and Crystal pre-operating costs for the new ships) recorded a positive EBITDA of US\$62.8 million in 2016, compared to US\$43.4 million (excluding Dream and Crystal pre-operating costs for the new ships) in 2015.

Share of Profits of Joint Ventures and Associates

Share of profit of Travellers totalled US\$32.7 million, compared with US\$33.9 million in 2015, primarily due to unrealised foreign exchange losses on the outstanding US\$300 million bond resulting from the depreciation of Philippine peso.

No profit contribution from NCLH in 2016 compared with US\$2.9 million in 2015, primarily due to the reduction of the Group's equity interest in NCLH and reclassification of NCLH from "associate" to "available-for-sale investment" in May 2015.

Other Expenses, net

Net other expenses in 2016 amounted to US\$7.5 million compared with US\$42.9 million in 2015. 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\$6.0 million. In 2015, net other expenses mainly included a foreign exchange loss of US\$33.3 million resulting from the depreciation of certain foreign currencies against US dollar and an impairment of US\$12.8 million against the carrying value of leasehold land.

Other (Losses) / Gains, net

Net other losses in 2016 amounted to US\$301.1 million compared with net other gains of US\$2,223.8 million in 2015. In 2016, net other losses mainly included an impairment loss of US\$305.0 million on NCLH Shares and US\$10.0 million gain on disposal of certain available-for-sale investments.

Net other gains in 2015 mainly included US\$658.8 million gain on disposal of certain NCLH Shares and an one-off accounting gain upon the reclassification of NCLH from an "associate" to an "available-for-sale investment" amounting to US\$1,567.4 million as further explained in note 5 to this financial information.

Net Finance Income / Costs

Net finance income (i.e. finance income, net of finance costs) in 2016 of US\$3.7 million was recorded compared with the net finance costs (i.e. finance costs, net of finance income) amounted to US\$14.6 million in 2015 primarily due to higher capitalised interests for certain qualifying assets.

(Loss) / Profit Before Taxation

Loss before taxation for 2016 was US\$495.6 million compared with profit before taxation of US\$2,114.2 million in 2015. Excluding the Dream and Crystal pre-operating costs for the new ships, one-off reorganisation costs for shipyard operations, impairment loss on available-for-sale investments and gain on disposal of available-for-sale investments, the loss before taxation for 2016 was US\$121.5 million, compared with the loss before taxation for 2015 of US\$87.8 million after excluding the Dream and Crystal pre-operating costs for the new ships, gain on disposal of available-for-sale investments, gain on disposal of equity interest in and de-recognition of an associate, loss on disposal of a joint venture and impairment loss on leasehold land.

(Loss) / Profit Attributable To Equity Owners

Loss attributable to equity owners of the Company was US\$502.3 million for 2016 compared with the profit attributable to equity owners of US\$2,112.7 million in 2015.

Liquidity and Financial Resources

As at 31 December 2016, cash and cash equivalents amounted to US\$1,040.3 million, a decrease of US\$738.4 million compared with US\$1,778.7 million as at 31 December 2015. The decrease in cash and cash equivalents was primarily due to cash outflow of (i) US\$1,088.8 million for capital expenditure of property, plant and equipment (including US\$40.0 million for existing Star Cruises fleet, US\$830.5 million for Dream Cruises new build vessels, US\$161.5 million for Crystal Cruises vessels and aircrafts), (ii) US\$278.6 million for the acquisition of shipyards in Germany, and (iii) US\$337.9 million for repayment of existing bank loans and borrowings and financing costs. The cash outflow was partially offset by cash inflow of (i) US\$964.6 million from loan drawdown, (ii) US\$13.4 million dividend received from a joint venture, associate and available-for-sale

investment; (iii) US\$24.9 million consideration from disposal of available-for-sale investment; and (iv) US\$18.5 million deferred consideration from a previous disposal of a vessel.

The majority of the Group's cash and cash equivalents are held in US dollar, Singapore dollar, Hong Kong dollar, Euro dollar, Chinese Renminbi and Malaysian Ringgit. The Group's liquidity as at 31 December 2016 amounted to US\$1,269.7 million (31 December 2015: US\$2,008.5 million), which comprised cash and cash equivalents and undrawn credit facilities.

As at 31 December 2016, total loans and borrowings amounted to US\$1,172.2 million (31 December 2015: US\$531.3 million) and were mainly denominated in US dollar. Approximately 1% (31 December 2015: 2%) of the Group's loans and borrowings was under fixed rate and 99% (31 December 2015: 98%) was under floating rate. Loans and borrowings of US\$135.2 million (31 December 2015: US\$87.2 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\$2.0 billion (31 December 2015: US\$1.2 billion).

The Group was in a net debt position of US\$131.9 million as at 31 December 2016, as compared with a net cash position of US\$1,247.4 million as at 31 December 2015. The total equity of the Group was approximately US\$4,823.2 million (31 December 2015: US\$5,500.4 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 foreign exchange exposure primarily through forward rate agreements. 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 U.S. dollars in conformity with the Group's reporting currency.

In 2016, Travellers reported P27,490.9 million (US\$577.6 million) in total revenues and P6,420.5 million (US\$134.9 million) in EBITDA, compared with P27,719.7 million (US\$609.8 million) in total revenues and P6,161.9 million (US\$135.6 million) in EBITDA in 2015.

Direct costs amounted to P10,616.1 million (US\$223.0 million) in 2016, which increased from P10,490.7 million (US\$230.8 million) in 2015. The increase was primarily due to higher casino operating expenses incurred in 2016.

General and administrative expenses amounted to P9,701.1 million (US\$203.8 million) in 2016, compared with P9,352.5 million (US\$205.8 million) in 2015. The increase was due to (a) full year depreciation for Marriott Grand Ballroom which was capitalised in December 2015; (b) increase in general marketing as a result of change in arrangement with junket operators from revenue sharing last year to the traditional rolling based commission; and (c) settlement of tax assessment from prior years.

Finance costs amounted to P1,458.6 million (US\$30.7 million) in 2016, which increased from P775.4 million (US\$17.0 million) in 2015, primarily due to unrealised foreign exchange losses on the outstanding US\$300.0 million bond given the depreciation of Philippine peso.

Net profit decreased from P4,017.6 million (US\$88.4 million) in 2015 to P3,398.5 million (US\$71.4 million) in 2016.

The cash and cash equivalents balance increased from P12,301.2 million (US\$262.0 million) as at 31 December 2015 to P13,250.2 million (US\$267.7 million) as at 31 December 2016, while the loans and borrowings balance increased from P14,243.4 million (US\$303.4 million) as at 31 December 2015 to P21,879.1 million (US\$442.0 million) as at 31 December 2016 to fund the working capital.

Prospects

Star Cruises remains to be "The Leading Cruise Line in Asia". In December 2016, Star Cruises announced the deployment of the SuperStar Virgo to Manila as the homeport from March to May, 2017, which makes Star Cruises the first cruise line to do so. Six day/ five night voyages will sail to Laoag, Kaohsiung and Hong Kong, providing cruise as an alternative to the booming Philippines outbound tourism industry. From July to November 2017, the SuperStar Virgo will begin offering cruises seven night cruises to Osaka, Tokyo, Shimizu (port for Mount Fuji) and Kagoshima. Star Cruises continues to excel in providing top level service and onboard activities. In September 2016, Star Cruises celebrated another year of success at the Battle of the Chefs 2016 biennial

competition. The Star Cruises' team of chefs won a total of 18 medals including 2 Gold, 7 Silver and 9 Bronze medals, together with 11 Diploma Awards and also secured the Most Outstanding Live Cooking Master Chef Award and the Most Outstanding US Potatoes Master Chef Challenge Award. Looking into the future, Star Cruises plan to position the SuperStar Gemini in Bangkok as homeport after the Genting Dream replaces the SuperStar Gemini in Singapore. The Group plans to deliver the 204,000 gross tons 5,000 lower berths "Global Class" ships for Star Cruises starting in 2020.

Dream Cruises was launched in November last year as the first luxury cruise line in Asia, which is truly Asian at heart and international in spirit. The christening of the first Dream Cruises ship, the Genting Dream, was in Guangzhou, and the Genting Dream has enjoyed a successful debut and received positive reception from our guests since launch. Starting in April 2017, the Genting Dream will embark on five night cruises to Okinawa, Japan, Dream Cruises' second ship, the World Dream, will start service in December this year in Hong Kong whilst the Genting Dream will relocate to Singapore as its home port and she will operate two nights weekend cruises and five night weekday cruises whose itinerary will alternate between journeys to Bali and Surabaya and cruises to Kuala Lumpur, Penang and Phuket.

Crystal Cruises remains as "The Most Awarded Luxury Cruise Line" by winning numerous luxury travel awards and have brand extensions to River Cruises, Yacht Cruises and AirCruises (air voyages on a Boeing 777 plane with all first class seats). On 9 January 2017, after launching the Crystal Mozart last year, Crystal River Cruises celebrated the steel cutting for Crystal Debussy and Crystal Ravel at MV Werften and they will sail next year. The two additional Rhine Class luxury river ships are scheduled for delivery this year. The first Crystal expedition yacht, the Crystal Endeavor, will be launched in late 2019. In the meant time Crystal Cruises continues to offer the most luxurious and exclusive options for our guests on current offerings. In 2017, Crystal River Cruises will offer an exclusive private concert at Amsterdam's Royal Concertgebouw. Crystal AirCruises will partner with Wine Spectator to offer a 16-day "Savoring the Winelands" itinerary. Crystal Ocean cruises continue to offer globetrotting voyages including our popular Northwest Passage and Alaska voyages. The extraordinary service and outstanding commitment to our guests earned Crystal 'World's Best' by readers of Condé Nast Traveller for a record 23rd year.

Since the formation of MV Werften, the Group continues to invest for the future and build up the capabilities of the yards. In January 2017, MV Werften completed the training of the first batch of apprentices since the Group's acquisition of the yards to ensure our commitment to human capital and the Group's dedication on the development of the local industry and commerce. The Group added to MV Werften's capabilities by investing in a cabin manufacturing facility in November 2016. The facility has a total area of 22,000 square metres will be used for manufacturing prefabricated cabins for the Global Class cruise ships. The total investment in the cabin factory is EUR13 million and will create up to 200 new jobs. Genting Group's five year plan is to construct four Rhine Class river cruisers, three Endeavor Class expedition ships and two Global Class cruise ships.

Zouk has continued on its path to become Asia's premier all-encompassing lifestyle brand. In December 2016, Zouk's brand new, 31,000 square foot flagship in Clarke Quay successfully launched with multiple nightlife concepts tailored to all clientele; from the posh big-spenders the millennial party-goers. Furthermore, Zouk has had a successful year expanding its ZoukOut festival franchise internationally. Numerous installations of the festival were hosted successfully overseas including ZoukOut in Boracay, Philippines in April, ZoukOut x Summer Sonic in Tokyo, Japan in August and ZoukOut Live Edition in Hong Kong in October. The festival will continue its plan to expand in the coming year with potential festivals in Kuala Lumpur, Pattaya in Thailand, Manila, Hainan in China and of course Hong Kong and Singapore. Zouk also launched "Zouk At Sea" with Dream Cruises in 2017. Zouk Club onboard Genting Dream encompasses several nightlife concepts divided into three areas: an indoor dance club; a games lounge with a glow-in-the-dark bowling alley; and an outdoor daytime/night-time party deck. Zouk At Sea hosts the ultimate clubbing experience for party-lovers where world class DJs takes the 'decks' for a weekend of curated non-stop activities and parties.

Resorts World Manila (RWM), the Philippines' pioneer integrated entertainment and tourism destination, marked its seventh year in operation with continuous development, milestones, and recognitions. The expansion plans remained on track with the Marriott West Wing, the extension of Marriott Hotel Manila, operational since the fourth quarter of 2016, increasing RWM's total room count to over 1,450 and making it the largest hotel owner amongst the integrated resorts in the country. Other developments, which will introduce three new hotels - Hilton Manila Hotel, Sheraton Hotel Manila, and a new Maxims Hotel - are scheduled to be operational in 2018. This will also include an additional gaming area, new retail spaces and six basement parking decks. A significant milestone is the ongoing construction of an enclosed pedestrian bridge directly connecting Ninoy Aquino International Airport (NAIA) Terminal 3 (T3) to Newport City and the Resorts World complex, due to open in the first half of 2017. Once completed, the bridge, dubbed Runway Manila, will allow the average person to walk the distance between the airport and Newport City in just three minutes.

Operating Statistics

The following table sets forth selected statistical information:

	Year ended 31 December	
	2016	2015
Passenger cruise days	2,922,480	2,207,493
Capacity days	3,576,660	3,014,074
Occupancy percentage	82%	73%

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	
	2016	2015
	US\$'000	US\$'000
Passenger ticket revenue	503,448	289,133
Onboard revenue	404,663	363,713
Total cruise and cruise-related revenue	908,111	652,846
Less:		
Commission, incentives, transportation and other related costs	(125,996)	(34,613)
Onboard costs	(92,457)	(121,418)
Net Revenue	689,658	496,815
Capacity Days	3,576,660	3,014,074
Gross Yield (US\$)	253.9	216.6
Net Yield (US\$)	192.8	164.8

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	
	2016	2015
	US\$'000	US\$'000
Total operating expenses	972,175	615,942
Selling, general and administrative expenses	267,695	162,765
	1,239,870	778,707
Less: Depreciation and amortisation	(132,201)	(94,908)
	1,107,669	683,799
Less: Expenses relating to non-cruise activities	(198,968)	(65,502)
Gross Cruise Cost	908,701	618,297
Less:		
Commission, incentives, transportation and other related costs	(125,996)	(34,613)
Onboard costs	(92,457)	(121,418)
Net Cruise Cost	690,248	462,266
Less: Fuel costs	(51,339)	(63,184)
Net Cruise Cost Excluding Fuel	638,909	399,082
EBITDA for cruise and cruise-related activities (excluding Dream and Crystal pre-operating costs for the new ships)	62,763	43,449
Capacity Days	3,576,660	3,014,074
Gross Cruise Cost per Capacity Day (US\$)	254.1	205.1
Gross Cruise Cost per Capacity Day (excluding Dream and Crystal pre-operating costs for the new ships) (US\$)	236.4	202.2
Net Cruise Cost per Capacity Day (US\$)	193.0	153.4
Net Cruise Cost per Capacity Day (excluding Dream and Crystal pre-operating costs for the new ships) (US\$)	175.3	150.4
Net Cruise Cost Excluding Fuel per Capacity Day (US\$)	178.6	132.4

SIGNIFICANT SUBSEQUENT EVENTS

In January 2017, the Group entered into the following secured term loan facilities:

- (a) an aggregate amount of (i) EUR160 million (equivalent to approximately US\$168.4 million) and (ii) 100% of each Hermes Fees with a term of 102 months after the utilisation date for the relevant ship for financing the construction of four river cruise ships. As at the date of this announcement, the facility has not been utilised.
- (b) an aggregate amount of up to approximately EUR17.0 million (equivalent to approximately US\$17.9 million) with a term of 102 months after the earlier of 31 March 2018 and the date on which a panel line system has been completed and delivered for financing the delivery and installation of the panel line system. As at the date of this announcement, the facility has not been utilised.

CLOSURE OF REGISTERS OF MEMBERS

(i) For determining the entitlements to attend and vote at the 2017 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 the close of business on 31 May 2017 to 6 June 2017, 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 (i) 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; and 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 31 May 2017 (Hong Kong time); or (ii) lodged for registration with the Company’s transfer agent in Singapore, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 by no later than 5:00 p.m. on 31 May 2017 (Singapore time).

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the shares of the Company as at 5:00 p.m. on 31 May 2017 will be entitled to attend and vote at the AGM.

(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 the close of business on 23 June 2017 to 27 June 2017, 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 (i) 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; and 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 23 June 2017 (Hong Kong time); or (ii) lodged for registration with the Company’s transfer agent in Singapore, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 by no later than 5:00 p.m. on 23 June 2017 (Singapore time).

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the shares of the Company as at 5:00 p.m. on 23 June 2017 will be entitled to the proposed final dividend.

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 2016.

CORPORATE GOVERNANCE

In the opinion of the Directors, during the year ended 31 December 2016, 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 and F.1.3 as listed 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 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 2015 published in April 2016. 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 2016, 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 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, 16 March 2017

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
- Gross Cruise Cost: the sum of total operating expenses and selling, general and administrative expenses less expenses relating to non-cruise activities
- Gross Yield: total revenue from cruise and cruise-related activities per Capacity Day
- MV Werften: shipyard business formed by the Group as a result of the acquisition of assets for the construction of cruise ships and real estate properties of three shipyards in Germany located respectively in Wismar, Warnemünde and Stralsund
- NCLH: Norwegian Cruise Line Holdings Ltd.
- 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.