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GENTING
HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The Directors of Genting Hong Kong Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015, together with the comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2015 US$'000 unaudited	Six months ended 30 June 2014 US$'000 unaudited
Turnover	3	275,083	281,559
Operating expenses			
Operating expenses excluding depreciation and amortisation		(199,147)	(199,024)
Depreciation and amortisation		(38,835)	(38,217)
		(237,982)	(237,241)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(46,303)	(62,354)
Depreciation and amortisation		(6,778)	(3,295)
		(53,081)	(65,649)
		(291,063)	(302,890)
		(15,980)	(21,331)
Share of profit of jointly controlled entities		4,141	532
Share of profit of associates		24,821	74,635
Other (expenses) / income, net	5	(12,389)	8,421
Other gains, net	6	2,171,232	167,052
Finance income		5,177	8,356
Finance costs		(8,555)	(19,548)
		2,184,427	239,448

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Six months ended 30 June 2015 US$'000 unaudited	2014 US$'000 unaudited
Profit before taxation	4	2,168,447	218,117
Taxation	7	(3,616)	(1,403)
Profit for the period		2,164,831	216,714
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(2,938)	17,237
Fair value gain on derivative financial instruments		1,620	305
Fair value gain on available-for-sale investments		72,522	36,193
Cash flow hedges transferred to profit or loss		8,618	(177)
Share of other comprehensive income / (loss) of an associate		16,658	(4,336)
Release of reserves upon disposal of equity interest in an associate		29,191	469
Other comprehensive income for the period		125,671	49,691
Total comprehensive income for the period		2,290,502	266,405
Profit attributable to:			
Equity owners of the Company		2,165,033	216,906
Non-controlling interests		(202)	(192)
		2,164,831	216,714
Total comprehensive income attributable to:			
Equity owners of the Company		2,290,704	266,597
Non-controlling interests		(202)	(192)
		2,290,502	266,405
Earnings per share attributable to equity owners of the Company	8		
- Basic (US cents)		26.77	2.70
- Diluted (US cents)		26.76	2.59

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2015 US$'000 unaudited	As at 31 December 2014 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Trademark		32,497	-
Property, plant and equipment		1,676,410	1,146,285
Land use right		4,259	4,278
Interests in jointly controlled entities		15,716	127,706
Interests in associates		548,972	1,394,279
Deferred tax assets		549	312
Available-for-sale investments		189,122	209,943
Other assets and receivables		43,760	35,226
		2,511,285	2,918,029
CURRENT ASSETS			
Properties under development		16,569	17,820
Consumable inventories		45,853	17,983
Trade receivables	9	104,460	80,066
Prepaid expenses and other receivables		240,813	90,322
Available-for-sale investments		2,279,973	15,515
Amounts due from related companies		2,774	3,225
Restricted cash		7,985	9,517
Cash and cash equivalents		1,451,333	718,574
		4,149,760	953,022
TOTAL ASSETS		6,661,045	3,871,051

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30 June 2015 US$'000 unaudited	As at 31 December 2014 US$'000 audited
EQUITY			
Capital and reserves attributable to the Company's equity owners			
Share capital		848,249	803,669
Reserves:			
Share premium		41,634	16,618
Contributed surplus		936,823	936,823
Additional paid-in capital		111,561	123,761
Convertible bonds - equity component		-	3,854
Foreign currency translation adjustments		(66,368)	(63,430)
Available-for-sale investments reserve		148,619	76,097
Cash flow hedge reserve		(7,906)	(76,303)
Retained earnings		3,453,106	1,372,898
		5,465,718	3,193,987
Non-controlling interests		46,295	46,497
TOTAL EQUITY		5,512,013	3,240,484
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		479,068	237,659
Deferred tax liabilities		9,593	7,850
Other liabilities		5,953	-
		494,614	245,509
CURRENT LIABILITIES			
Trade payables	10	46,765	33,271
Current income tax liabilities		3,340	4,369
Provisions, accruals and other liabilities		203,995	93,592
Current portion of loans and borrowings		186,118	220,792
Derivative financial instruments		5,965	16,191
Amounts due to related companies		479	522
Advance ticket sales		207,756	16,321
		654,418	385,058
TOTAL LIABILITIES		1,149,032	630,567
TOTAL EQUITY AND LIABILITIES		6,661,045	3,871,051
NET CURRENT ASSETS		3,495,342	567,964
TOTAL ASSETS LESS CURRENT LIABILITIES		6,006,627	3,485,993

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information

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

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

This unaudited condensed consolidated interim financial information has been approved for issue by the Board of Directors on 20 August 2015.

On 15 May 2015, the Group has completed acquisition of the entire equity interest in Crystal Cruises, a global luxury cruise line operator, from Nippon Yusen Kabushiki Kaisha ("NYK") for an adjusted consideration of approximately US$421.4 million, which is subject to the confirmation of NYK as of the date of this announcement. The acquisition of Crystal Cruises was accounted for as a business combination in accordance with the requirements of Hong Kong Financial Reporting Standards ("HKFRS") 3: Business Combinations.

2. Principal Accounting Policies and Basis of Preparation

The unaudited condensed consolidated interim financial information of the Group has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" 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 unaudited condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The unaudited condensed consolidated interim financial information is prepared under the historical cost convention, as modified by the revaluations of certain financial assets and financial liabilities (including derivative financial instruments) which are carried at fair value. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2014.

The Group's operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire financial year. This announcement should be read where relevant, in conjunction with the annual report of the Group for the year ended 31 December 2014 which has been prepared in accordance with HKFRS.

The accounting policies and methods of computation used in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the annual report for the year ended 31 December 2014.

Where necessary, comparative information has been reclassified and expanded from previously reported consolidated interim financial information to take into account any presentational change made in the annual financial statements or in this unaudited condensed consolidated interim 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 2014.

There have been no changes in any risk management policies since the previous year end.

3. Turnover and Segment Information

The Group is principally engaged in the operation of passenger cruise ships. Senior management reviews the performance and makes operating decisions and resources allocation based on the Group’s internal reports. The Group’s business is considered from a cruise operation and a non-cruise operation perspective. Accordingly, two reportable segments namely, cruise and cruise-related activities and 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 and aviation businesses, dividend income as well as international marketing activities in relation to our Manila operations, none of which are of a significant size to be reported separately.

During 2015, certain revenue, primarily port charges revenue, has been reallocated to "passenger ticket revenue" and revenue in relation to onboard services and activities, including gaming revenue, has been combined under "onboard revenue" within the "cruise and cruise-related activities". In addition, certain revenue, primarily revenue from aviation and travel agent businesses, and certain expenses, primarily selling, general and administrative expenses, have been reallocated from “cruise and cruise-related activities” to “non-cruise activities” segment. These reclassifications were made in a manner consistent with the information reviewed by senior management and the comparative figures have been reclassified to conform with the current period presentation accordingly.

The improvement in segment results of our “cruise and cruise-related activities” was mainly due to the acquisition of and additional profit contribution from Crystal Cruises as well as absence of certain non-recurrent promotional spending. The increase in segmental loss of our “non-cruise activities” was mainly due to higher operating loss of our international marketing activities in relation to our Manila operations, lower aviation revenue and the commencement of amortisation of our land in Macau.

The segment information of the Group is as follows:

unaudited Six months ended 30 June 2015	Cruise and cruise-related activities	Non-cruise activities	Total
	US$’000	US$’000	US$’000
Passenger ticket revenue	99,458	-	99,458
Onboard revenue	165,643	-	165,643
Other revenue	-	9,982	9,982
Total turnover	265,101	9,982	275,083
Segment results	302	(16,282)	(15,980)
Share of profit of jointly controlled entities			4,141
Share of profit of associates			24,821
Other expenses, net			(12,389)
Other gains, net			2,171,232
Finance income			5,177
Finance costs			(8,555)
Profit before taxation			2,168,447
Taxation			(3,616)
Profit for the period			2,164,831

3. Turnover and Segment Information (Continued)

unaudited As at 30 June 2015	Cruise and cruise-related activities	Non-cruise activities	Total
	US$'000	US$'000	US$'000
Segment assets	2,859,214	3,801,831	6,661,045
Total assets			6,661,045
Segment liabilities	434,734	45,772	480,506
Loans and borrowings (including current portion)	657,282	7,904	665,186
	1,092,016	53,676	1,145,692
Tax liabilities			3,340
Total liabilities			1,149,032
Capital expenditure	69,851	1,206	71,057
Depreciation and amortisation	41,383	4,230	45,613

unaudited (restated) Six months ended 30 June 2014	Cruise and cruise-related activities	Non-cruise activities	Total
	US$'000	US$'000	US$'000
Passenger ticket revenue	71,501	-	71,501
Onboard revenue	187,259	-	187,259
Other revenue	-	22,799	22,799
Total turnover	258,760	22,799	281,559
Segment results	(13,525)	(7,806)	(21,331)
Share of profit of jointly controlled entities			532
Share of profit of associates			74,635
Other income, net			8,421
Other gains, net			167,052
Finance income			8,356
Finance costs			(19,548)
Profit before taxation			218,117
Taxation			(1,403)
Profit for the period			216,714

3. Turnover and Segment Information (Continued)

audited (restated) As at 31 December 2014	Cruise and cruise-related activities	Non-cruise activities	Total
	US$'000	US$'000	US$'000
Segment assets	2,241,693	1,629,358	3,871,051
Total assets			3,871,051
Segment liabilities	152,632	15,115	167,747
Loans and borrowings (including current portion)	448,935	9,516	458,451
	601,567	24,631	626,198
Tax liabilities			4,369
Total liabilities			630,567
Capital expenditure	202,879	6,920	209,799
Depreciation and amortisation	82,326	8,434	90,760

No geographical information is shown as the turnover of the Group is mainly derived from activities in the Asia-Pacific region.

4. Profit before taxation

Profit before taxation is stated after charging the following:

	Six months ended 30 June	
	2015	2014
	US$'000	US$'000
	unaudited	unaudited
Included in operating expenses:		
Incentives, transportation and other	15,642	15,089
Onboard	31,450	38,809
Payroll and related	61,798	53,767
Food and supplies	10,330	8,688
Fuel	28,552	31,642
Included in selling, general and administrative expenses:		
Advertising	7,352	23,482

5. Other (Expenses) / Income, net

	Six months ended 30 June	
	2015	2014
	US$'000	US$'000
	unaudited	unaudited
Gain on disposal of property, plant and equipment	4	3,434
(Loss) / Gain on foreign exchange	(15,131)	4,219
Other income, net	2,738	768
	(12,389)	8,421

6. Other Gains, net

	Six months ended 30 June	
	2015	2014
	US$'000	US$'000
	unaudited	unaudited
Gain on de-recognition of an associate (note (a))	1,954,508	-
Gain on disposal of equity interest in an associate (note (b))	212,500	152,638
Gain on disposal of available-for-sale investments	4,224	-
Fair value gain on financial assets at fair value through profit or loss (note (c))	-	14,414
	2,171,232	167,052

Notes:

(a) In May 2015, the Group entered into an underwriting agreement to sell 10.0 million ordinary shares in NCLH ("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 on de-recognition of an associate amounting to approximately US$1,954.5 million, which was composed of (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.

(b) 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%.

In March 2014, the Group entered into an underwriting agreement to sell 7.5 million NCLH Shares at an offering price of US$32.97 per share. As a result of the share disposal, a gain of approximately US$152.6 million to the Group was recorded and the percentage of NCLH Shares owned by the Group decreased from approximately 31.4% to approximately 27.7%.

(c) The Group recorded a fair value gain of approximately US$14.4 million for the period ended 30 June 2014, being the excess of the fair value of certain financial assets over their carrying amounts.

7. Taxation

	Six months ended 30 June	
	2015	2014
	US$'000	US$'000
	unaudited	unaudited
Overseas taxation		
- Current taxation	1,933	919
- Deferred taxation	1,723	-
	3,656	919
Under / (Over) provision in respect of prior years		
- Current taxation	66	431
- Deferred taxation	(106)	53
	3,616	1,403

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.

8. Earnings Per Share

Earnings per share is computed as follows:

	Six months ended 30 June 2015 US$'000 unaudited	2014 US$'000 unaudited
BASIC		
Earnings attributable to equity owners of the Company	2,165,033	216,906
Weighted average outstanding ordinary shares, in thousands	8,087,469	8,034,104
Basic earnings per share in US cents	26.77	2.70
DILUTED		
Earnings attributable to equity owners of the Company	2,165,033	216,906
Interest expense on convertible bonds	-	3,085
Earnings used to determine diluted earnings per share	2,165,033	219,991
Weighted average outstanding ordinary shares, in thousands	8,087,469	8,034,104
Effect of dilutive potential ordinary shares, in thousands:	3,478	454,490
- options	3,478	8,694
- convertible bonds *	-	445,796
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,090,947	8,488,594
Diluted earnings per share for the period in US cents	26.76	2.59

* For the six months ended 30 June 2015, no conversion was assumed in the computation of diluted earnings per share as all of the outstanding convertible bonds were converted during the period.

9. Trade Receivables

	As at 30 June 2015 US$'000 unaudited	31 December 2014 US$'000 audited
Trade receivables	248,392	216,904
Less: Provisions	(143,932)	(136,838)
	104,460	80,066

9. Trade Receivables (Continued)

The ageing analysis of the trade receivables is as follows:

	As at	
	30 June 2015 US$'000 unaudited	31 December 2014 US$'000 audited
Current to 30 days	72,158	57,693
31 days to 60 days	8,502	708
61 days to 120 days	13,911	10,620
121 days to 180 days	1,234	4,581
181 days to 360 days	5,302	2,171
Over 360 days	3,353	4,293
	104,460	80,066

Credit terms generally range from no credit to 45 days credit (31 December 2014: no credit to 45 days).

10. Trade Payables

The ageing analysis of trade payables is as follows:

	As at	
	30 June 2015 US$'000 unaudited	31 December 2014 US$'000 audited
Current to 60 days	31,025	16,024
61 days to 120 days	4,569	4,721
121 days to 180 days	3,818	3,817
Over 180 days	7,353	8,709
	46,765	33,271

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2014: no credit to 45 days).

INTERIM DIVIDEND

The Directors do not recommend the declaration of interim dividend in respect of the six months ended 30 June 2015.

BUSINESS REVIEW

The commentary below is prepared based on a comparison of the results of the Group for the six months ended 30 June 2015 ("1H2015") and six months ended 30 June 2014 ("1H2014").

Key points for 1H2015 in comparison with 1H2014:

- Record Group profit of US$2,164.8 million in 1H2015, compared with US$216.7 million in 1H2014
- EBITDA of US$29.6 million in 1H2015, up 46.5% from US$20.2 million in 1H2014
- Gain of US$212.5 million and US$387.1 million on disposal of certain NCLH Shares in March and May 2015, respectively, which generated a total of US$863.9 million net sale proceeds to the Group
- One-off accounting gain of US$1,567.4 million recognised upon the reclassification of NCLH from an "associate" of the Group to an "available-for-sale investment" in May 2015
- The Group's net cash position has strengthened to US$786.1 million as at 30 June 2015, compared with net cash of US$260.1 million as of 31 December 2014

Turnover

Revenue from cruise and cruise-related activities increased 2.5% to US$265.1 million in 1H2015 compared with US$258.8 million in 1H2014. Net Revenue in 1H2015 increased 6.4% to US$218.0 million from US$204.9 million in 1H2014 due to an increase in Capacity Days of 6.3% and a stable Net Yield. The increase in Capacity Days was primarily due to the acquisition of Crystal Cruises, which was completed on 15 May 2015. The stable Net Yield was mainly due to higher passenger ticket revenue as a result of the acquisition of Crystal Cruises, offset by lower onboard revenue attributable to lower gaming revenue.

Revenue from non-cruise activities decreased 56.2% to US$10.0 million in 1H2015 compared with US$22.8 million in 1H2014 primarily due to lower income from aviation, travel agent and the international marketing activities in relation to our Manila operations.

Costs and Expenses

Total operating expenses, excluding depreciation and amortisation, remained stable at US$199.1 million compared with US$199.0 million in 1H2014 as additional operating expenses contributed by Crystal Cruises was offset by lower operating expenses of Star Cruises, which was primarily due to lower fuel and onboard expenses. Selling, general and administrative ("SG&A") expenses, excluding depreciation and amortisation, decreased 25.7% to US$46.3 million in 1H2015 from US$62.4 million in 1H2014 mainly due to the absence of certain non-recurrent promotional spending, despite additional SG&A expenses contributed by Crystal Cruises. Net Cruise Cost per Capacity Day decreased 6.6% primarily due to, as discussed above, lower SG&A expenses, onboard expense and fuel expense, which was primarily a result of lower average fuel price (1H2015: US$388 per metric ton; 1H2014: US$662 per metric ton), offset by unfavourable fuel hedge impact at Star Cruises. Net Cruise Cost Excluding Fuel per Capacity Day decreased 4.8% primarily due to the decrease in expenses discussed above.

Total depreciation and amortisation increased 9.9% to US$45.6 million in 1H2015 compared with US$41.5 million in 1H2014 primarily due to the additional depreciation of Crystal Cruises ships and amortisation of our land in Macau.

Share of Profits of Jointly Controlled Entities and Associates

Share of profit of NCLH amounted to US$2.9 million in 1H2015 compared with US$46.9 million in 1H2014, primarily due to the reduction of the Group's equity interest in NCLH and reclassification of NCLH from "associate" to "available-for-sale investment" and lower net profit of NCLH.

Share of profit of Travellers totalled US$22.6 million in 1H2015 compared with US$27.8 million in 1H2014, primarily due to the decrease in gaming volume at Travellers during the period.

EBITDA

The Group's EBITDA for 1H2015 was US$29.6 million compared with US$20.2 million in 1H2014.

Other (Expenses) / Income, net

Net other expenses in 1H2015 amounted to US$12.4 million compared with US$8.4 million net other income in 1H2014. In 1H2015, net other expenses mainly included a US$15.1 million foreign exchange loss resulting primarily from the depreciation of several currencies against US dollars.

In 1H2014, net other income mainly included a US$4.2 million foreign exchange gain resulting primarily from the depreciation of Renminbi against US dollars and a US$3.4 million realised gain on disposal of certain non-current asset.

Other Gains, net

Net other gains in 1H2015 amounted to US$2,171.2 million compared with US$167.1 million in 1H2014. In 1H2015, net other gains included a US$212.5 million gain on disposals of certain NCLH Shares and a gain on de-recognition of an associate amounting to approximately US$1,954.5 million as further explained in the related note to the financial statements.

Net other gains in 1H2014 included a US$152.6 million gain on disposal of certain NCLH Shares and a US$14.4 million gain on revaluation of certain financial assets.

Net Finance Costs

Finance costs, net of finance income, decreased 69.8% to US$3.4 million in 1H2015 mainly attributable to the redemption of the Group's matured Renminbi bonds in June 2014, conversion of certain convertible bonds and higher capitalised interest for certain qualifying assets.

Profit before Taxation

Profit before taxation for 1H2015 was US$2,168.4 million compared with US$218.1 million for 1H2014.

Profit Attributable to Equity Owners

Profit attributable to equity owners of the Company was US$2,165.0 million for 1H2015 compared with US$216.9 million in 1H2014.

Liquidity and Financial Resources

As at 30 June 2015, cash and cash equivalents amounted to US$1,451.3 million, an increase of US$732.7 million compared with US$718.6 million as at 31 December 2014. The increase in cash and cash equivalents was primarily due to cash inflow of (i) US$863.9 million from disposal of certain NCLH Shares, (ii) US$45.9 million from disposal of available-for-sale investments, (iii) US$11.1 million dividend received from an associate and an available-for-sale investment, (iv) US$300 million from the utilisation of a term loan in May 2015, and (v) US$18.5 million deferred consideration from the disposal of a vessel. The cash inflow was partially offset by cash outflow of (i) US$345.8 million for the acquisition of Crystal Cruises, (ii) US$54.1 million for operating activities, (iii) US$26.6 million for repayment of existing bank loan and borrowings, and (iv) US$70.0 million for capital expenditure (including US$45.6 million relating to deposit and financing charges for the Group's newbuild vessels).

The majority of the Group's cash and cash equivalents are held in U.S. dollars, Singapore dollars, Australian dollars, Hong Kong dollars and Malaysia Ringgit. The Group's liquidity as at 30 June 2015 was US$1,882.4 million (31 December 2014: US$1,150.0 million), comprising cash and cash equivalents and undrawn credit facilities.

As at 30 June 2015, total loans and borrowings amounted to US$665.2 million (31 December 2014: US$458.4 million) and were denominated in US dollars and Renminbi. Approximately 1% (31 December 2014: 13%) of the Group's loans and borrowings was under fixed rate and 99% (31 December 2014: 87%) was under floating rate, after taking into consideration of loan origination costs. Loans and borrowings of US$186.1 million (31 December 2014: US$220.8 million) are repayable within a year. The outstanding borrowings and unused facilities of the Group are secured by legal charges over assets including fixed and floating charges of US$1.6 billion (31 December 2014: US$1.6 billion).

The Group remained in a net cash position of US$786.1 million as at 30 June 2015, as compared with net cash of US$260.1 million as at 31 December 2014. The total equity of the Group was approximately US$5,512.0 million (31 December 2014: US$3,240.5 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 fuel and foreign exchange exposures primarily through fuel swap and forward rate agreements, respectively. It is also the Group's policy that hedging will not be performed in excess of actual requirements.

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 1H2015, Travellers reported US$318.4 million in total revenues and US$79.4 million in EBITDA (including management fee), compared with US$343.5 million in total revenues and US$105.4 million in EBITDA (including management fee) in 1H2014. The decrease in total revenues was mainly due to lower gaming volume in 1H2015.

Total operating expenses amounted to US$201.3 million in 1H2015, compared with US$220.6 million in 1H2014, which was mainly due to cost management initiatives and lower rebates arising from decrease in overall gaming volume.

Finance costs amounted to US$12.3 million in 1H2015, which decreased from US$14.1 million in 1H2014, mainly due to capitalisation of certain finance cost, offset by certain foreign exchange loss recognised in 1H2015.

Net income decreased from US$64.8 million in 1H2014 to US$53.2 million in 1H2015.

The cash and cash equivalents balance decreased from US$398.2 million as at 31 December 2014 to US$330.1 million as at 30 June 2015, while the loans and borrowings balance increased from US$299.5 million as at 31 December 2014 to US$302.4 million as at 30 June 2015, mainly due to the payment of dividend and certain capital expenditures during 1H2015.

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

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

The 10% ITA measure is in keeping with the true spirit and intent of the terms of the Provisional License Agreement insofar as the license fees are intended and contemplated to be in lieu of all taxes with reference to the income component of the gross gaming revenues, while preserving at the same time the financial benefits of the Provisional License Agreement for the Philippine Government.

In December 2014, the Supreme Court ("SC") issued a Decision in the case of PAGCOR v. BIR, *G.R. No. 215427*, declaring in unequivocal terms that income from gaming operations is subject only to 5% franchise tax, in lieu of all other taxes, under Presidential Decree (P.D.) No. 1869, as amended, otherwise known as the *PAGCOR Charter*. The BIR's Motion for Reconsideration of the foregoing pronouncement was denied with finality in a resolution issued by the SC dated 10 March 2015. A similar case filed on behalf of a PAGCOR licensee is pending with the SC as of the date of this announcement.

Meanwhile, the Court of Tax Appeals, on 11 May 2015, issued a Decision in the case of Perception Gaming, Inc. v. Commissioner of Internal Revenue, CTA Case No. 8509, ruling that the tax exempt status of PAGCOR under its Charter extends to other entities with whom PAGCOR or the operators has any contractual relationship in connection with the operations of the casinos authorised to be conducted under PAGCOR's Charter, thus including licensees.

Prospects

In 2015, m.v. SuperStar Gemini continues to be homeport in Singapore offering cruises to Penang, Pulau Langkawi, Port Klang, Malacca, Pulau Redang and Pulau Tioman. m.v. Star Pisces and m.v. SuperStar Virgo continue to be homeport in Hong Kong with m.v. SuperStar Virgo offering cruises to Taiwan, Vietnam and Hainan, China. In mid-November, m.v. SuperStar Virgo will commence a maiden 48-day Southern Hemisphere cruise sailing from Hong Kong around Australia and South East Asia visiting 8 countries and 21 ports, including Melbourne, Tasmania, Sydney, Brisbane, Singapore, Bangkok, Ho Chi Minh City and others. m.v. SuperStar Aquarius recommenced deployment in Keelung, Taiwan from April 2015. m.v. SuperStar Libra was relocated from Penang to be homeport in Xiamen in July 2015, leaving m.v. Taipan as our only ship to be homeport in Penang.

We have two new cruise ships on order with Meyer Werft GmbH, Papenburg, Germany for delivery scheduled in the fourth quarter of 2016 and 2017. The steel cutting ceremony for the first ship was held on 9 February 2015. Each of the ships is 151,000 gross tons and has 3,300 lower berths, giving a superior passenger space ratio of about 46 tons per lower berth in Asia. These ships will offer a wide variety of international and Asian food & beverage outlets, world-class recreation, health & fitness and conference facilities as well as butler services for the 300 suites, enrichment programs and entertainment. The two new cruise ships are expected to reinforce Star Cruises' leading position in the Asia-Pacific.

The acquisition of Crystal Cruises was completed on 15 May 2015, which added two luxury ships – the 68,800-ton, 1080-passenger m.v. Crystal Serenity and the 51,000-ton, 940-passenger m.v. Crystal Symphony – to our fleet, and expanded our presence in the luxury segment of the cruise industry. Both Crystal ships cruise around the world covering 480 ports in North America, Europe, Asia, South America, Africa and Australia. To enhance the competitiveness of Crystal Cruises, we have recently signed a letter of intent with a view to building three new Crystal cruise ships from Lloyd Werft Bremerhaven GmbH, Germany. The first new Crystal cruise ship is expected to be delivered in the fourth quarter of 2018.

In 2016-2018, Crystal Cruises is planning to expand into fast-growing ocean yachts and river cruises by leveraging its luxury client database. In connection with these, the 3,300-ton m.v. MegaStar Taurus, to be renamed as Crystal Esprit, will undergo extensive conversion and upgrade to transform into a 62-passenger luxury yacht equipped with a two-passenger submersible and a 32-feet powerboat. Crystal Esprit's inaugural cruise is scheduled in December 2015, sailing in Seychelles. Further, Crystal Cruises is also planning to order new river ships with sizable suites and sport amenities, which can offer innovative itineraries and activities in select scenic rivers in Europe. In mid-2017, Crystal Cruises is expected to launch "Crystal Luxury Air", featuring 14 to 28-day round-the-world private jet journey.

Travellers will continue to expand Resorts World Manila (RWM) developing new hotels with gaming and non-gaming attractions. In anticipation of more visitors, Travellers will increase its hotel capacity from 1,226 rooms to approximately 4,200 rooms in the next four years, with the on-going construction of extensions to the Marriott and Maxims Hotels, and the development of new hotels including Hilton Manila Hotel and Sheraton Hotel Manila. Travellers also plans to capture a significant share of the Meetings, Incentives, Conventions, and Exhibitions (MICE) market with the opening of the Marriott Grand Ballroom, the largest hotel ballroom in the country with a capacity of 4,000 in a theater style set-up, in the second quarter of 2015. Construction work on Phase 1 of Bayshore City Resorts World, Travellers' second property located at Entertainment City in Paranaque City, is currently ongoing with expected completion in 2018.

Operating Statistics

The following table sets forth selected statistical information:

	Six months ended 30 June	
	2015	2014
Passenger Cruise Days	952,350	886,285
Capacity Days	1,372,095	1,290,835
Occupancy Percentage	69.4%	68.7%

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

	Six months ended 30 June 2015 US$'000	Six months ended 30 June 2014 US$'000
Passenger ticket revenue	99,458	71,501
Onboard revenue	165,643	187,259
Total cruise and cruise-related revenue	265,101	258,760
Less:		
Incentives, transportation and other expense	(15,642)	(15,089)
Onboard expense	(31,450)	(38,809)
Net Revenue	218,009	204,862
Capacity Days	1,372,095	1,290,835
Gross Yield (US$)	193.2	200.5
Net Yield (US$)	158.9	158.7

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:

	Six months ended 30 June 2015 US$'000	Six months ended 30 June 2014 US$'000
Total operating expenses	237,982	237,241
Selling, general and administrative expenses	53,081	65,649
	291,063	302,890
Less: depreciation and amortisation	(45,613)	(41,512)
	245,450	261,378
Less: expenses relating to non-cruise activities	(22,034)	(29,846)
Gross Cruise Cost	223,416	231,532
Less:		
Incentives, transportation and other expense	(15,642)	(15,089)
Onboard expense	(31,450)	(38,809)
Net Cruise Cost	176,324	177,634
Less: Fuel expense	(28,552)	(31,642)
Net Cruise Cost Excluding Fuel	147,772	145,992
Capacity Days	1,372,095	1,290,835
Gross Cruise Cost per Capacity Day (US$)	162.8	179.4
Net Cruise Cost per Capacity Day (US$)	128.5	137.6
Net Cruise Cost Excluding Fuel per Capacity Day (US$)	107.7	113.1

SIGNIFICANT SUBSEQUENT EVENTS

On 29 July 2015, Pearl Concept Enterprises Limited ("Pearl Concept"), an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Landing International Development Limited ("Landing International"), pursuant to which Pearl Concept sold its 50% interest in Magical Gains Holdings Limited ("Magical Gains") to Landing International, such that Landing International would upon completion be the registered and beneficial shareholder of 100% of the issued share capital of Magical Gains. The aggregated consideration payable by Landing International to Pearl Concept for the transaction was KRW130,000,000,000 (equivalent to approximately US$116.5 million). The transaction is expected to be completed on or before 15 January 2016.

On 10 August 2015, the Group entered into an underwriting agreement to dispose of 10 million NCLH Shares for a total consideration of approximately US$590.0 million (after deduction of relevant estimated expenses). As a result of the share disposal, the percentage of NCLH Shares owned by the Group decreased from approximately 17.7% to approximately 13.3%.

Crystal Cruises entered into agreements with third parties on 14 and 17 August 2015 respectively to purchase 2 aircrafts for a total consideration of approximately US$110.5 million.

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 six months ended 30 June 2015, save for the issuance by the Company of 445,796,459 new ordinary shares of US$0.10 each in the Company pursuant to the conversion of all the outstanding principal amount of US$65,000,000 7.5% unsecured convertible bonds due 2016.

CORPORATE GOVERNANCE

In the opinion of the Directors, during the six months ended 30 June 2015, 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 as well as further information of the Company's corporate governance practices were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2014 issued in April 2015.

REVIEW BY AUDIT COMMITTEE

The unaudited condensed consolidated interim 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, 20 August 2015

Forward-looking statements

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

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

- Crystal Cruises: Crystal Cruises, LLC

- EBITDA: earnings before interest, taxes, depreciation and amortisation. EBITDA excludes, if any, share of profit of jointly controlled entities 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

- NCLH or Norwegian: Norwegian Cruise Line Holdings Ltd.

- Net Cruise Cost: Gross Cruise Cost less incentives, transportation and other expense and onboard expense

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

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

- 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

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

- 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.