GENTING
HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2015 US$'000 audited	2014 US$'000 audited
Turnover	3	689,954	570,810
Operating expenses			
Operating expenses excluding depreciation and amortisation		(528,437)	(407,356)
Depreciation and amortisation		(87,505)	(83,445)
		(615,942)	(490,801)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(155,362)	(114,596)
Depreciation and amortisation		(7,403)	(7,315)
		(162,765)	(121,911)
		(778,707)	(612,712)
		(88,753)	(41,902)
Share of profit of joint ventures		247	1,530
Share of profit of associates		36,418	147,276
Other (expenses) / income, net	4	(42,888)	8,424
Other gains, net	5	2,223,778	300,952
Finance income		11,363	12,997
Finance costs	6	(25,959)	(31,442)
		2,202,959	439,737
Profit before taxation	7	2,114,206	397,835
Taxation	8	(8,151)	(13,771)
Profit for the year		2,106,055	384,064

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Year ended 31 December 2015 US$'000 audited	2014 US$'000 audited
Profit for the year		2,106,055	384,064
Other comprehensive income / (loss):			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences		(41,578)	(27,278)
Fair value loss on derivative financial instruments		(4,230)	(17,953)
Fair value gain on available-for-sale investments		215,187	75,722
Share of other comprehensive income / (loss) of an associate		16,658	(47,746)
Cash flow hedges transferred to profit or loss		19,365	927
Release of reserves upon disposal of available-for-sale investments		(63,517)	-
Release of reserves upon disposal of equity interest in an associate		29,191	2,844
Release of reserves upon deemed disposal of joint ventures		-	(18)
Release of reserves upon disposal of a joint venture		1,721	-
Other comprehensive income / (loss) for the year		172,797	(13,502)
Total comprehensive income for the year		2,278,852	370,562
Profit attributable to:			
Equity owners of the Company		2,112,687	384,475
Non-controlling interests		(6,632)	(411)
		2,106,055	384,064
Total comprehensive income attributable to:			
Equity owners of the Company		2,285,484	370,973
Non-controlling interests		(6,632)	(411)
		2,278,852	370,562
Earnings per share attributable to equity owners of the Company			
- Basic (US cents)	9	25.50	4.79
- Diluted (US cents)	9	25.48	4.61
Final dividend	12	-	84,825

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2015 US$'000 audited	2014 US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,978,555	1,146,285
Land use right		4,040	4,278
Intangible assets		52,372	-
Interests in joint ventures		6,942	127,706
Interests in associates		542,319	1,394,279
Deferred tax assets		761	312
Available-for-sale investments		207,530	209,943
Other assets and receivables		23,918	35,226
		2,816,437	2,918,029
CURRENT ASSETS			
Properties under development		20,393	17,820
Inventories		52,553	17,983
Trade receivables	10	51,257	80,066
Prepaid expenses and other receivables		126,192	90,322
Available-for-sale investments		1,488,341	15,515
Amounts due from related companies		1,752	3,225
Restricted cash		173,035	9,517
Cash and cash equivalents		1,778,745	718,574
		3,692,268	953,022
TOTAL ASSETS		6,508,705	3,871,051

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December 2015 US$'000 audited	2014 US$'000 audited
EQUITY			
Capital and reserves attributable to the equity owners of the Company			
Share capital		848,249	803,669
Reserves:			
Share premium		41,634	16,618
Contributed surplus		936,823	936,823
Additional paid-in capital		111,644	123,761
Convertible bonds - equity component		-	3,854
Foreign currency translation adjustments		(93,784)	(63,430)
Available-for-sale investments reserve		218,264	76,097
Cash flow hedge reserve		(3,009)	(76,303)
Retained earnings		3,400,760	1,372,898
		5,460,581	3,193,987
Non-controlling interests		39,865	46,497
TOTAL EQUITY		5,500,446	3,240,484
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		444,150	237,659
Deferred tax liabilities		14,913	7,850
Retirement benefit obligations		7,906	-
		466,969	245,509
CURRENT LIABILITIES			
Trade payables	11	68,284	33,271
Current income tax liabilities		7,527	4,369
Provisions, accruals and other liabilities		169,368	93,592
Current portion of loans and borrowings		87,160	220,792
Derivative financial instruments		3,009	16,191
Amounts due to related companies		571	522
Advance ticket sales		205,371	16,321
		541,290	385,058
TOTAL LIABILITIES		1,008,259	630,567
TOTAL EQUITY AND LIABILITIES		6,508,705	3,871,051
NET CURRENT ASSETS		3,150,978	567,964
TOTAL ASSETS LESS CURRENT LIABILITIES		5,967,415	3,485,993

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL INFORMATION

1. General Information

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

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

This audited consolidated financial information has been approved for issue by the Board of Directors on 17 March 2016.

2. Principal Accounting Policies and Basis of Preparation

The audited consolidated financial information, contained in this announcement, has been based on the audited consolidated financial statements of the Group for the year ended 31 December 2015 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 information in conformity with HKFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The audited consolidated financial information is prepared under the historical cost convention, as modified by the revaluations of available-for-sale financial assets, financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss and retirement benefit assets, which are carried at fair value.

The accounting policies and methods of computation used in the preparation of this audited consolidated financial information are consistent with those used in the annual report for the year ended 31 December 2014, except that the Group has adopted the following revised Hong Kong Accounting Standard ("HKAS")/HKFRS:

(i) HKAS 19 (Amendment), 'Defined benefit plans - Employee contributions' (effective from 1 July 2014). The amendment requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to services, they should be attributed to periods of services as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service costs in the period in which the service is rendered, instead of allocating the contributions to the periods of service. 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 revised HKAS/HKFRS has no significant impact on the Group's financial information. Where necessary, comparative information has been reclassified and expanded from previously reported consolidated financial information to take into account any presentational change made in the annual financial statements or in this set of audited consolidated financial information.

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

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

This announcement does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

There have been no changes in any risk management policies.

3. Turnover and Segment Information

The Group is principally engaged in the operation of passenger cruise ships. Senior management reviews the performance and makes operating decisions and resources allocation based on the Group's internal reports. The Group's business is 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 agency, aviation, entertainment and shipyard businesses as well as international marketing activities in relation to our Manila operations and dividend income from investments, 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 year presentation accordingly.

Passenger ticket revenue increased significantly in 2015 due to the contribution from Crystal Cruises. However, the higher provision against trade receivables in 2015 has resulted in an increase in segmental loss of our "cruise and cruise-related activities". The increase in segmental loss of our 'non-cruise activities" was mainly due to higher operating loss from our international marketing activities in relation to our Manila operations and lower revenue from aviation operation.

3. Turnover and Segment Information (Continued)

The segment information of the Group is as follows:

audited 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 turnover	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

audited 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
Tax liabilities			7,527
Total liabilities			1,008,259
Capital expenditure	390,259	10,937	401,196
Depreciation and amortisation	84,062	10,846	94,908

3. Turnover and Segment Information (Continued)

audited (restated) For the year ended 31 December 2014	Cruise and cruise-related activities	Non-cruise activities	Total
	US$'000	US$'000	US$'000
Passenger ticket revenue	141,396	-	141,396
Onboard revenue	389,350	-	389,350
Other revenue	-	40,064	40,064
Total turnover	530,746	40,064	570,810
Segment results	(9,783)	(32,119)	(41,902)
Share of profit of joint ventures			1,530
Share of profit of associates			147,276
Other income, net			8,424
Other gains, net			300,952
Finance income			12,997
Finance costs			(31,442)
Profit before taxation			397,835
Taxation			(13,771)
Profit for the year			384,064

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

3. Turnover and Segment Information (Continued)

Geographical information

Turnover

Turnover from cruise and cruise-related activities are analysed based on geographical territory of departure port. Turnover 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	
	2015 US$'000 audited	2014 US$'000 audited
Asia Pacific	478,712	570,810
North America	66,629	-
Europe	130,989	-
Others	13,624	-
	689,954	570,810

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

	As at 31 December	
	2015 US$'000 audited	2014 US$'000 audited
Asia Pacific (note (a))	1,786,780	1,811,620
North America	-	857,382
Europe	37,237	3,546
Unallocated (note (b))	760,211	-
	2,584,228	2,672,548

Notes:

(a) Asia Pacific mainly includes Australia, Cambodia, China, Hong Kong, Indonesia, Japan, Malaysia, Singapore, Taiwan, Thailand and Vietnam.

(b) 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) / Income, net

	Year ended 31 December	
	2015 US$'000 audited	2014 US$'000 audited
Gain on disposal of property, plant and equipment	2,522	3,501
Loss on foreign exchange	(33,269)	(8,592)
Impairment loss on leasehold land (note (a))	(12,840)	-
Reversal of impairment of loan receivables from a third party (note (b))	-	13,827
Reversal of gain on damages claim from a litigation	-	(1,000)
Other income, net	699	688
	(42,888)	8,424

Note:

(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.

(b) During the year ended 31 December 2014, the Group received full settlement of the promissory notes and loan receivables from a third party amounting to US$13.8 million against which an impairment was made in prior year.

5. Other Gains, net

	Year ended 31 December	
	2015 US$'000 audited	2014 US$'000 audited
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 deemed disposal of an associate (note (c))	-	123,964
Loss on disposal of a joint venture (note (d))	(6,364)	-
Gain on dilution of interest in a joint venture (note (e))	-	6,332
Gain on disposal of available-for-sale investments (note (f))	63,134	20
Fair value gain on financial assets at fair value through profit or loss (note (g))	-	17,998
	2,223,778	300,952

5. Other Gains, net (Continued)

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 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.

(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) In November 2014, the Group’s equity interest in NCLH was diluted from approximately 27.9% to approximately 25.4% as a result of NCLH’s issuance of certain new shares for its acquisition of Prestige Cruises International, Inc. (“Prestige”) and consequently the Group recorded a gain on deemed disposal of an associate of approximately US$124.0 million.

(d) 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.

(e) In August 2014, the Group’s equity interest in Resorts World Bayshore City Inc. (now known as Westside City Resorts World Inc. (“WCRWI”)) was diluted from 50.0% to approximately 2.5% as a result of the subscription of new common shares in WCRWI by Travellers and consequently the Group recorded a gain on dilution of interest in a joint venture of approximately US$6.3 million. Upon completion of the subscription, WCRWI ceased to be a joint venture and became an available-for-sale investment of the Group.

(f) In August and December 2015, the Group entered into an underwriting agreement to dispose of 10.0 million and 5.17 million NCLH Shares respectively for a consideration of approximately US$590.0 million and approximately US$296.5 million respectively. Accordingly, a gain of approximately US$44.5 million and approximately 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.

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

6. Finance Costs

	Year ended 31 December	
	2015 US$'000 audited	2014 US$'000 audited
Amortisation of:		
- bank loans arrangement fees and commitment fees	10,105	11,372
Interests on:		
- bank loans and others	24,904	14,281
- convertible bonds	896	6,254
- RMB bonds	-	5,475
Interest capitalised for qualifying assets	(9,946)	(5,940)
Finance costs expensed	25,959	31,442

7. Profit Before Taxation

Profit before taxation is stated after charging the following:

	Year ended 31 December	
	2015 US$'000 audited	2014 US$'000 audited
Included in operating expenses:		
Incentives, transportation and other	34,613	31,546
Onboard	121,418	78,449
Payroll and related	143,683	110,032
Food and supplies	28,167	18,552
Fuel	63,184	62,967
Included in selling, general and administrative expenses:		
Advertising	40,295	31,921

8. Taxation

	Year ended 31 December	
	2015 US$'000 audited	2014 US$'000 audited
Overseas taxation		
- Current taxation	3,984	5,439
- Deferred taxation	2,587	7,792
	6,571	13,231
Under / (Over) provision in respect of prior years		
- Current taxation	1,580	2,176
- Deferred taxation	-	(1,636)
	8,151	13,771

The Company, which is domiciled in Bermuda, and the majority of its subsidiaries, are not subject to income tax as their income is mainly derived in international waters or outside taxing jurisdictions. However, the Group has incurred a tax charge, as shown above, based on the income subject to local tax in certain of the jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

9. Earnings Per Share

Earnings per share is computed as follows:

	Year ended 31 December	
	2015	2014
	US$'000	US$'000
	audited	audited
BASIC		
Profit attributable to equity owners of the Company for the year	2,112,687	384,475
Weighted average outstanding ordinary shares, in thousands	8,286,603	8,034,986
Basic earnings per share for the year in US cents	25.50	4.79
DILUTED		
Profit attributable to equity owners of the Company for the year	2,112,687	384,475
Interest expense on convertible bonds	-	6,254
Earnings used to determine diluted earnings per share	2,112,687	390,729
Weighted average outstanding ordinary shares, in thousands	8,286,603	8,034,986
Effect of dilutive ordinary shares, in thousands:		
- options	3,478	3,869
- convertible bonds *	-	445,796
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,290,081	8,484,651
Diluted earnings per share for the year in US cents	25.48	4.61

* All outstanding convertible bonds were converted into ordinary shares during the year ended 31 December 2015 and the number of outstanding shares issued has been reflected in the weighted average outstanding ordinary shares for the computation of basic earnings per share for the year with no further impact on diluted earnings per share.

10. Trade Receivables

	As at 31 December	
	2015	2014
	US$'000	US$'000
	audited	audited
Trade receivables	238,805	216,904
Less: Provisions	(187,548)	(136,838)
	51,257	80,066

The ageing analysis of the trade receivables is as follows:

	As at 31 December	
	2015	2014
	US$'000	US$'000
	audited	audited
Current to 30 days	39,827	57,693
31 days to 60 days	2,647	708
61 days to 120 days	6,598	10,620
121 days to 180 days	803	4,581
181 days to 360 days	352	2,171
Over 360 days	1,030	4,293
	51,257	80,066

Credit terms generally range from payment in advance to 45 days credit (31 December 2014: payment in advance to 45 days).

Receivables amounting to US$14.9 million (2014: US$8.7 million) are secured by the underlying pledged securities and bear interest ranging from 5.0% to 6.5% (2014: 5.0% to 6.5%) per annum.

11. Trade Payables

The ageing analysis of trade payables is as follows:

	As at 31 December	
	2015	2014
	US$'000	US$'000
	audited	audited
Current to 60 days	47,054	16,024
61 days to 120 days	5,195	4,721
121 days to 180 days	4,625	3,817
Over 180 days	11,410	8,709
	68,284	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).

12. Final Dividend

The Directors do not recommend the declaration of final dividend in respect of the year ended 31 December 2015 (2014: A final dividend of US$0.01 per ordinary share amounting to approximately US$84,825,000 was recommended by the Directors).

BUSINESS REVIEW

The commentary below is prepared based on the comparison of results for the years ended 31 December 2015 ("2015") and 2014 ("2014") of the Group.

Key points for 2015 in comparison with 2014:

- Record Group profit of US$2,106.1 million in 2015, compared with US$384.1 million in 2014
- Gain of US$658.8 million recognised from the disposals of certain NCLH Shares in March, May, August and December 2015
- 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$1,247.4 million as at 31 December 2015, compared with net cash of US$260.1 million as of 31 December 2014

Turnover

Revenue from cruise and cruise-related activities increased 23.0% to US$652.8 million in 2015 compared with US$530.7 million in 2014. Net Revenue in 2015 increased 18.1% to US$496.8 million from US$420.8 million in 2014 due to an increase in Capacity Days of 14.1% and 3.5% improvement in Net Yield. The increase in Capacity Days was primarily due to the addition of Capacity Days from the Crystal Cruises fleet. The improvement in Net Yield was due primarily to the addition of Crystal Cruises' brand to the fleet offset by softer gaming industry and economic conditions in the region. Revenue from non-cruise activities decreased 7.4% to US$37.1 million in 2015 compared with US$40.1 million in 2014 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, increased 29.7% to US$528.4 million from US$407.4 million in 2014. Excluding the operating expenses of Crystal Cruises, operating expenses decreased by 1.2% due to favourable fuel, ship repair and maintenance costs. Such decrease was offset by higher provision against trade receivables which is in line with industry. Selling, general and administrative ("SG&A") expenses, excluding depreciation and amortisation, increased 35.6% to US$155.4 million in 2015 from US$114.6 million in 2014. Excluding the SG&A expenses of Crystal Cruises, SG&A decreased 13.4% to US$99.2 million due to a decrease in promotional spending.

Net Cruise Cost per Capacity Day increased 15.8% primarily due to inclusion of Crystal Cruises and higher onboard expenses. Such increase was partially offset by lower fuel expenses (2015: US$380 per metric ton; 2014: US$633 per metric ton) despite an unfavourable fuel hedge impact at Star Cruises.

Total depreciation and amortisation expenses increased 4.5% to US$94.9 million in 2015 compared with US$90.8 million in 2014, primarily due to the addition of the Crystal Cruises fleet.

EBITDA

The Group's EBITDA for 2015 was US$6.2 million, compared to US$48.9 million for 2014.

Share of Profits of Joint Ventures ("JV") and Associates

Share of profit of Travellers totalled US$33.9 million, compared with US$52.4 million in 2014, primarily due to the decrease in gaming volume at Travellers during the year.

Share of profit of NCLH amounted to US$2.9 million in 2015 compared with US$95.0 million in 2014, primarily due to reduction of the Group's equity interest in NCLH, reclassification of NCLH from "associate" to "available-for-sale investment" and lower net profit of NCLH.

Other (Expenses) / Income, net

Net other expenses in 2015 amounted to US$42.9 million compared with US$8.4 million net other income in 2014. 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 dollars in 2015 (2014: US$8.6 million) and an impairment of US$12.8 million against the carrying value of leasehold land. In 2014, net other income mainly included a gain of US$13.8 million arising from the recovery of loan receivables from a third party which was previously impaired.

Other Gains, net

Net other gains in 2015 amounted to US$2,223.8 million compared with US$301.0 million in 2014. In 2015, net other gains mainly included a 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 other gains in 2014 mainly included (i) a US$152.6 million gain on disposal of certain NCLH Shares, (ii) a US$124.0 million gain arising from deemed partial disposal of a certain stake in NCLH as a result of its issuance of certain new shares for NCLH's acquisition of Prestige which was completed in November 2014, and (iii) a US$18.0 million gain on revaluation of certain financial assets.

Net Finance Costs

Finance costs, net of finance income and interest capitalised for qualifying assets, decreased 20.9% from US$18.4 million in 2014 to US$14.6 million in 2015 mainly attributed to the redemption of the Group's matured RMB bonds in June 2014, conversion of certain convertible bonds and higher capitalised interest for certain qualifying assets.

Profit Before Taxation

Profit before taxation for 2015 was US$2,114.2 million compared to US$397.8 million for 2014.

Profit Attributable To Equity Owners

Profit attributable to equity owners of the Company was US$2,112.7 million for 2015 compared to US$384.5 million in 2014.

Liquidity and Financial Resources

As at 31 December 2015, cash and cash equivalents amounted to US$1,778.7 million, an increase of US$1,060.1 million compared with US$718.6 million as at 31 December 2014. The increase in cash and cash equivalents was primarily due to net cash inflow of (i) US$1,750.0 million from disposal of certain NCLH Shares, (ii) US$48.8 million from disposal of available-for-sale investments, (iii) US$19.4 million dividend received from an associate, JV and available-for-sale investments, (iv) US$111.4 million proceeds received from the disposal of a JV and (v) US$300.0 million secured loan drawdown during the year. The cash inflow was partially offset by cash outflow of (i) US$360.7 million for the acquisition of Crystal Cruises, Lloyd Werft and Zouk, (ii) US$167.7 million for repayment of existing bank loan and borrowings, (iii) US$84.8 million dividend paid, (iv) US$163.9 million reclassified to restricted cash and (v) US$401.2 million for capital expenditure (including US$33.4 million for existing Star Cruises fleet, US$139.8 million deposit and financing charges for Dream Cruises' new build vessels and US$219.7 million for Crystal Cruises' vessels and aircrafts).

The majority of the Group's cash and cash equivalents are held in U.S. dollars, Singapore dollars, Hong Kong dollars, Australian dollars and Malaysia ringgit. The Group's liquidity as at 31 December 2015 amounted to US$2,008.5 million (31 December 2014: US$1,150.0 million), which comprised cash and cash equivalents and undrawn credit facilities.

As at 31 December 2015, total loans and borrowings amounted to US$531.3 million (31 December 2014: US$458.4 million) and were mainly denominated in US dollars. Approximately 2% (31 December 2014: 13%) of the Group's loans and borrowings was under fixed rate and 98% (31 December 2014: 87%) was under floating rate. Loans and borrowings of US$87.2 million (31 December 2014: US$220.8 million) are repayable within a year. The outstanding borrowings and unused credit facilities of the Group are secured by legal charges over assets including fixed and floating charges of US$1.2 billion (31 December 2014: US$1.6 billion).

The Group remained in a net cash position of US$1,247.4 million as at 31 December 2015, as compared with net cash position of US$260.1 million as at 31 December 2014. The total equity of the Group was approximately US$5,500.4 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 exposure primarily through fuel swap and 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 2015, Travellers reported US$609.8 million in total revenues and US$135.6 million in EBITDA, compared with US$710.2 million total revenues and US$178.1 million EBITDA in 2014. The decrease in total revenues was mainly due to lower VIP drop during the year.

Total operating expenses amounted to US$405.7 million in 2015, compared with US$475.8 million in 2014, which was mainly due to decrease in general marketing expenses which include commissions paid to gaming promoters and rebates paid to VIP patrons.

Finance costs decreased from US$23.1 million in 2014 to US$17.0 million in 2015 due to capitalisation of interest expense related to Marriott Grand Ballroom.

Net income decreased from US$122.5 million in 2014 to US$88.4 million in 2015.

The cash and cash equivalents balance decreased from US$398.2 million as at 31 December 2014 to US$262.0 million as at 31 December 2015, while the loans and borrowings balance remained stable at US$303.4 million as at 31 December 2015 compared with US$299.4 million in 2014.

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

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

The ITA measure ceases to be effective and the license fees shall automatically revert to the 25% and 15% rates indicated in the Provisional License Agreement should any of the following circumstances occur:

(a) The BIR ceases to impose income tax on the licensees, or deletes the provision of RMC 33-2013 which imposes income tax on licensees;

(b) A court restrains or enjoins the BIR from implementing the provisions of RMC 33-2013 which imposes income tax on licensees, during the effectivity of such restraining order or injunction. In the event the court withdraws the temporary restraining order (TRO), or if the TRO expires and is not extended, the 10% ITA shall automatically be reinstated;

(c) A court, by final and executory judgment, nullifies the provision of RMC 33-2013 which imposes income tax on the licensees;

(d) The Philippine Congress amends or revokes the imposition of corporate income tax on PAGCOR and its licensees; or

(e) Recognition of Entertainment City as a special economic and/or tourism zone with special fiscal incentives for its locators resulting in the same effect as paragraph (d) above.

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, confirming 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 March 10, 2015.

Management is of the opinion that the similar case pending with the SC will result to a positive outcome, considering the unequivocal SC declaration in the PAGCOR v. BIR case that income from gaming operations is subject only to 5% franchise tax, in lieu of all taxes. More so as, on 11 May, 2015, the Court of Tax Appeals (CTA) 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 authorized to be conducted under PAGCOR's Charter, thus including licensees. The CTA En Banc echoed the aforesaid ruling on 5 November, 2015 in its decision in the case of Hon. Herbert Bautista v. PAGCOR, CTA EB No. 1159, further ruling that the silence of the SC with respect to the extension of PAGCOR's tax privilege to third parties with whom it has contractual relationships in connection with the operation of casinos is merely because the resolution of the petition was limited to clarifying the tax treatment of PAGCOR's income by the BIR and because PAGCOR's contractees and licensees were not parties to the suit, capping off its statement by stating that it believed the tax exemption of PAGCOR extends to its agents, contractees and licensees. Upon finality of the resolution/decision of such case, the 10% ITA measure shall cease to be effective, and the license fees shall automatically revert to the original 25% and 15% rates as indicated in the Provisional License Agreement, in accordance with paragraphs (b) and/or (c) of the ITA measure above.

Prospects

On 11 November 2015, the Company launched Dream Cruises, Asia's first-ever premium brand in cruising, and achieved its mission to develop a three-brand cruise portfolio with focus on each of the major cruise market segments – Crystal Cruises for the ultra-luxury segment, Dream Cruises for the premium segment and Star Cruises for the contemporary segment.

Crystal Cruises is the core of the world's premier luxury hospitality and lifestyle brand portfolio, not only for the immediate future but for years to come. Crystal Cruises announced an expansion plan to broaden offerings to include expedition, river, yacht and air cruises. On 23 December 2015, the Crystal Esprit embarked on its maiden voyage for Crystal Yacht Cruises as the first expansion of the Crystal Cruises fleet. Crystal Cruises initiated other key investments in 2015 including Boeing Business Jet B777-200LR and a Boeing 787-8 Dreamliner for the launch of Crystal Luxury Air in 2017. Additionally, Crystal Cruises purchased a lavishly outfitted Bombardier Global Express XRS jet for the new Crystal Charter Air brand, which debuted in spring 2016 featuring privately chartered service for corporate travel or groups. Crystal Cruises will offer Crystal River Cruises beginning in July 2016 with the launch of the Crystal Mozart, followed by four brand new cutting-edge river yachts in 2017. Crystal Cruises will also extend its competencies in ocean cruises with the new Crystal Endeavor and Crystal Exclusive Class vessels deliveries planned in 2018. On 4 February, 2016, Crystal Cruises announced that it, along with various conservancy and government agencies, will save and restore "America's Flagship", the SS United States, such that more travellers can sail the sea on this landmark symbol of maritime excellence while enjoying luxurious facilities of a modern day cruise liner. Crystal Cruises will continue to think bigger, aiming to create unparalleled luxury experiences and adventures for our loyal and new guests.

Dream Cruises is a new cruise line – purposely conceived in and built for Asia. The Dream Cruises brand is dedicated to delivering luxury holiday experiences to the expanding Asian, and specifically Chinese, premium market. Our two Dream vessels under construction, Genting Dream and World Dream, will launch in 2016 and 2017, respectively. They will offer our guests the highest level of service and spacious comfort in the region. Dream Cruises' product strategy transposes the elegant accommodations, luxury service standards and memorable onboard experiences of Crystal Cruises and customises them to serve and inspire the fast growing Chinese market and our Asian guests. Genting Dream commences sailing in November 2016 and will have its primary home port in Guangzhou (Nansha Port). The ship will serve residents of the Pearl River Delta region, and domestic/international fly-cruise guests flying into the airports of Guangzhou, Shenzhen, Zhuhai, Macau and Hong Kong.

Star Cruises will continue to develop China's cruise tourism market and expand its footprint in the country and across the region including signing a memorandum of understanding with the Wenzhou Port Group in November 2015, the deployment of SuperStar Virgo at Guangzhou (Nansha) in the Pearl River Delta, and the return of SuperStar Libra to Xiamen in 2016. SuperStar Gemini and SuperStar Aquarius will continue maintain their year-round homeports in Singapore and Taiwan respectively further cementing Star Cruises' prominent position in each market while SuperStar Virgo will see more extensive Japan itineraries in 2016. Further complementing its award winning, Michelin-starred cuisine, Star Cruises will continue to raise the bar with entertainment options including performances from famous pop artists from China, Hong Kong and Taiwan while Beatship by Zouk will provide an outlet for younger, lifestyle driven guests to party the night away.

The rapid growth of the world cruise industry, especially in China, has led to a cruise ship order book reaching all-time high and has become increasingly difficult for the Company to obtain the required building slots in the next 6 years. On 2 March 2016, the Company announced the acquisition of the three shipyards in Wismar, Warnemunde, and Stralsund, Germany. The purchase of three shipyards is directly complementary to Lloyd Werft Group, which was acquired in late 2015 and early 2016, and strengthens and completes our capability to construct high quality, state-of-the-art cruise ships. In order to build the required number of cruise ships in our plan to support our three brands on a timely basis, it became strategic that we own our cruise shipyards, which will free us from the long order book cycle for cruise ships. The acquisition further enables our access to cruise ship newbuilding slots on a more cost effective basis, which will generate attractive long term return on invested funds for our shareholders.

To further extend our offerings onboard and to expand our reach to the millennial generation and lifestyle-driven clientele, the Group has acquired the iconic Singapore nightclub brand, Zouk, on 19 October 2015. The acquisition establishes the Group as a premier lifestyle hub. The plan is to integrate the Zouk name and image into our other brands and products – starting with the new nightlife entertainment offerings onboard our upcoming Dream Cruises ships, Genting Dream and World Dream. As well, the long term strategy with Zouk is to expand throughout Asia and internationally, which will elevate the brand to the next level. In April 2016, Zouk will launch the first of many overseas installations of ZoukOut (an annual dance music festival held in Singapore in December), in Boracay, Philippines, with world-renowned DJs as headline attractions.

Travellers continues to focus on its expansion plans with the launch of the Marriott Grand Ballroom on 9 April 2015. The Ballroom boasts the largest, most versatile luxury space within the City of Manila and has taken centre stage as the preferred venue for conventions and social affairs inclusive of internationally acclaimed performers making full use of the impressive high-tech column free ballrooms. To further complement the Marriott Grand Ballroom, Travellers embarked on the extension of the Marriott Hotel Manila. The hotel will be increased from its current 342 rooms to 570 rooms with the addition of a new West wing. The Marriott West Wing will be completed and in operation by August 2016. Travellers has further undertaken extensive expansion with the development of three new hotels – The Hilton, Sheraton and new Maxims Hotel – and will bring an additional 945 five star rooms to the truly integrated resorts offering. All three hotels are earmarked for completion by the end of 2017. The new Phase 3 development will further house expanded gaming and retail facilities. Travellers, through its position fronting the NAIA International airport and as true integrated resorts operations, continues to attract both the domestic and international guests through its vast offerings within an easily accessible location.

Operating Statistics

The following table sets forth selected statistical information:

	Year ended 31 December	
	2015	2014
Passenger cruise days	2,207,493	1,832,658
Capacity days	3,014,074	2,642,669
Occupancy percentage	73%	69%

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	
	2015	2014
	US$’000	US$’000
Passenger ticket revenue	289,133	141,396
Onboard revenue	363,713	389,350
Total cruise and cruise-related revenue	652,846	530,746
Less:		
Incentives, transportation and other expense	(34,613)	(31,546)
Onboard expense	(121,418)	(78,449)
Net Revenue	496,815	420,751
Capacity Days	3,014,074	2,642,669
Gross Yield (US$)	216.6	200.8
Net Yield (US$)	164.8	159.2

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	
	2015	2014
	US$'000	US$'000
Total operating expenses	615,942	490,801
Selling, general and administrative expenses	162,765	121,911
	778,707	612,712
Less: depreciation and amortisation	(94,908)	(90,760)
	683,799	521,952
Less: expenses relating to non-cruise activities	(65,502)	(61,761)
Gross Cruise Cost	618,297	460,191
Less:		
Incentives, transportation and other expense	(34,613)	(31,546)
Onboard expense	(121,418)	(78,449)
Net Cruise Cost	462,266	350,196
Less: Fuel expense	(63,184)	(62,967)
Net Cruise Cost Excluding Fuel	399,082	287,229
Capacity Days	3,014,074	2,642,669
Gross Cruise Cost per Capacity Day (US$)	205.1	174.1
Net Cruise Cost per Capacity Day (US$)	153.4	132.5
Net Cruise Cost Excluding Fuel per Capacity Day (US$)	132.4	108.7

SIGNIFICANT SUBSEQUENT EVENTS

(i) After completion of the acquisition of the 50% equity interest in Lloyd Investitions- und Verwaltungs GmbH ("LIV") and the 70% equity interest in Lloyd Werft Bremerhaven AG ("LWB") pursuant to the sale and purchase agreement dated 17 September 2015, on 31 December 2015, the Group exercised the call option to acquire the remaining 50% equity interest in LIV and 30% equity interest in LWB at a total consideration of EUR16,469,000 (equivalent to approximately US$18,178,000 when the call option was exercised). Prior to acquisition of the remaining interest in LIV and LWB, both LIV and LWB have been accounted for as subsidiaries of the Group. Upon completion of the acquisition of the remaining equity interest in LIV and LWB in January 2016, each of LIV and LWB became a 100% owned subsidiary of the Group.

(ii) On 1 March 2016, the Group entered into a sale and purchase agreement to acquire, inter alia, the assets required for the Group's construction of cruise ships and real estate properties of three shipyards in Germany located respectively in Wismar, Warnemünde and Stralsund, from an independent third party for an aggregate consideration of EUR230.6 million (equivalent to approximately US$254.9 million at the date of the agreement). Completion of the acquisition shall be subject to fulfilment or, waiver of all the closing conditions whichever is applicable. As at the date of this announcement, the acquisition has not yet been completed.

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 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 year ended 31 December 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 were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2014 published in April 2015. 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 2015, 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, 17 March 2016

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
- Crystal Cruises: Crystal Cruises, LLC
- 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
- Lloyd Werft: Lloyd Investitions- und Verwaltungs GmbH and Lloyd Werft Bremerhaven AG
- NCLH: 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.