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GENTING HONG KONG GROUP REPORTS FINANCIAL RESULTS FOR FULL YEAR 2016

Highlights

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

Genting Hong Kong Group

Revenue

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

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

Costs and Expenses

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

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

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

EBITDA

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

Share of Profits of Joint Ventures and Associates

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

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

Other Expenses, net

Net other expenses in 2016 amounted to US$7.5 million compared with US$42.9 million in 2015. In 2016, net other expenses mainly included the reorganisation costs for shipyard operations amounted to US$13.0 million which was partially offset by other miscellaneous income of US$6.0 million. In 2015, net other expenses mainly included a foreign exchange loss of US$33.3 million resulting from the depreciation of certain foreign currencies against US dollar and an impairment of US$12.8 million against the carrying value of leasehold land.

Other (Losses) / Gains, net

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

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

Net Finance Income / Costs

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

(Loss) / Profit Before Taxation

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

(Loss) / Profit Attributable To Equity Owners

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

Final Dividend

The Directors have recommended a final dividend of US$0.01 per ordinary share for the year ended 31 December 2016 (2015: Nil), which will be payable subject to shareholders' approval at the 2017 Annual General Meeting of the Company.

Travellers

The commentary below is based on Travellers' financial statements prepared in accordance with the Philippine Accounting Standards. Figures, originally reported by Travellers in Philippine Peso, have been translated into U.S. dollars in conformity with the Group's reporting currency.

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

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

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

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

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

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016
PREPARED IN ACCORDANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

	Year ended 31 December	
	2016 US$'000 audited	2015 US$'000 audited
Revenue	1,016,668	689,954
Operating expenses		
Operating expenses excluding depreciation and amortisation	(848,789)	(528,437)
Depreciation and amortisation	(123,386)	(87,505)
	(972,175)	(615,942)
Selling, general and administrative expenses		
Selling, general and administrative expenses excluding depreciation and amortisation	(258,880)	(155,362)
Depreciation and amortisation	(8,815)	(7,403)
	(267,695)	(162,765)
	(1,239,870)	(778,707)
	(223,202)	(88,753)
Share of (loss) / profit of joint ventures	(516)	247
Share of profit of associates	32,890	36,418
Other expenses, net	(7,474)	(42,888)
Other (losses) / gains, net	(301,054)	2,223,778
Finance income	10,548	11,363
Finance costs	(6,841)	(25,959)
	(272,447)	2,202,959
(Loss) / Profit before taxation	(495,649)	2,114,206
Taxation	(8,583)	(8,151)
(Loss) / Profit for the year	(504,232)	2,106,055
(Loss) / Profit attributable to:		
Equity owners of the Company	(502,325)	2,112,687
Non-controlling interests	(1,907)	(6,632)
	(504,232)	2,106,055
(Loss) / Earnings per share attributable to equity owners of the Company		
- Basic (US cents)	(5.92)	25.50
- Diluted (US cents)	(5.92)	25.48

Operating data

	Year ended 31 December	
	2016	2015
Passenger cruise days	2,922,480	2,207,493
Capacity days	3,576,660	3,014,074
Occupancy percentage	82%	73%
Gross Yield (US$)	253.9	216.6
Net Yield (US$)	192.8	164.8
Gross Cruise Cost per Capacity Day (US$)	254.1	205.1
Gross Cruise Cost per Capacity Day (excluding Dream and Crystal pre-operating costs for the new ships) (US$)	236.4	202.2
Net Cruise Cost per Capacity Day (US$)	193.0	153.4
Net Cruise Cost per Capacity Day (excluding Dream and Crystal pre-operating costs for the new ships) (US$)	175.3	150.4
Net Cruise Cost Excluding Fuel per Capacity Day (US$)	178.6	132.4
EBITDA for cruise and cruise-related activities (excluding Dream and Crystal pre-operating costs for the new ships) (US$'000)	62,763	43,449

Terminology

- *Capacity Days: double occupancy per available cabin multiplied by the number of cruise days for the period*
- *EBITDA: earnings before interest, taxes, depreciation and amortisation. EBITDA excludes, if any, share of profit of joint ventures and associates, other income/gains or expenses*
- *Gross Cruise Cost: the sum of total operating expenses and selling, general and administrative expenses less expenses relating to non-cruise activities*
- *Gross Yield: total revenue from cruise and cruise-related activities per Capacity Day*
- *MV Werften: shipyard business formed by the Group as a result of the acquisition of assets for the construction of cruise ships and real estate properties of three shipyards in Germany located respectively in Wismar, Warnemünde and Stralsund*
- *NCLH: Norwegian Cruise Line Holdings Ltd.*
- *Net Cruise Cost: Gross Cruise Cost less commission, incentives, transportation and other related costs and onboard cost*
- *Net Cruise Cost Excluding Fuel: Net Cruise Cost less fuel costs*
- *Net Revenue: total revenue from cruise and cruise-related activities less commission, incentives, transportation and other related costs and onboard costs*
- *Net Yield: Net Revenue per Capacity Day*
- *Occupancy Percentage: the ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins*
- *Passenger Cruise Days: the number of passengers carried for the period, multiplied by the number of days in their respective cruises*
- *Travellers: Travellers International Hotel Group, Inc.*

About Genting Hong Kong Limited ("Genting Hong Kong")

Genting Hong Kong Limited ("Genting Hong Kong") is a leading global leisure, entertainment and hospitality enterprise, with core competences in both land and sea-based businesses comprising of Star Cruises, "The Leading Cruise Line in the Asia Pacific"; Dream Cruises, "The first-ever Asian Luxury Cruise Line"; Crystal Cruises, "The World's Most Awarded Luxury Cruise Line"; German shipyard, MV Werften; prominent nightlife brand Zouk; and, Resorts World Manila ("RWM"), an associate of Genting Hong Kong.

Headquartered in Hong Kong, Genting Hong Kong has presence in more than 20 locations worldwide with offices and representation in Australia, China, Germany, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Sweden, Taiwan, the United Kingdom and the United States.

A pioneer in its own right, Genting Hong Kong was incorporated in September 1993, operating its fleet under Star Cruises, to take on a bold initiative to grow the Asia Pacific region as an international cruise destination. Star Cruises has built its reputation on offering first-rate Asian hospitality throughout its fleet of six vessels including SuperStar Virgo, SuperStar Gemini, SuperStar Aquarius, SuperStar Libra, Star Pisces and The Taipan.

The first-ever Asian luxury cruise line, Dream Cruises' two new vessels Genting Dream (launched November 2016) and World Dream (launching late 2017) will deliver the highest level of guest service and spacious comfort in the region. Catering to the high-end consumers in China and the Asia Pacific, the Dream Cruises experience will provide passengers with more choice, comfort and value to create a perfect dream voyage.

Crystal Cruises is the world's leading luxury cruise provider, having earned more "World's Best" awards than any other cruise line, hotel, or resort in history. In 2015, Crystal embarked on the most significant brand expansion in the history of luxury travel and hospitality, which will introduce three new classes of cruising – Crystal Yacht Cruises, Crystal River Cruises, Crystal Exclusive Class Ocean Cruises – and reaching new heights with Crystal Luxury Air. Crystal Cruises offers extensive itineraries traversing the globe, ranging from five days to approximately 100-day World Cruises and regionally-focused Grand Cruises.

To capitalise on the growing demand for new cruise ships and to realize the company's own expansion plans, in 2016, Genting Hong Kong established MV Werften comprising of three shipyards in Wismar, Warnemunde and Stralsund, Germany. With the consolidated expertise and facilities of the shipyards, including approximately 1,400 experienced management and workers, MV Werften will be capable of building ships larger than the biggest cruise ships currently afloat.

Zouk is an iconic music-driven entertainment institution that provides a world-class clubbing experience by pushing the boundaries of electronic dance music and bringing in a constant flow of internationally renowned DJs to play. As the only club from the Asia Pacific region to regularly retain its top 10 position in DJ Mag's Top 100 Clubs global poll, Zouk is the trendsetter in propelling Asia's dance music scene forward.

Travellers International Hotel Group, Inc. ("Travellers"), an associate of Genting Hong Kong, opened its first land-based attraction, Resorts World Manila, in the Philippines in August 2009. RWM is the Philippines' first one-stop, nonstop vacation spot for topnotch entertainment and world-class leisure alternatives, featuring four hotels including the all-suite Maxims Hotel, an iconic shopping mall, four high-end cinemas and a multi-purpose performing arts theatre. Travellers has been listed on the Philippine Stock Exchange since November 2013.

Genting Hong Kong's unique venues and itineraries, coupled with a promise to deliver best-in-class services, will ensure an unforgettable experience by all. The company will continue to leverage off the Genting Group's unrivalled regional expertise in land-based resorts development as it looks to expand its individual footprint. Genting Hong Kong constantly seeks new scalable business opportunities and ways in which the company can excel and improve its business proposition.

Genting Hong Kong has a primary listing on the Main Board of the Stock Exchange of Hong Kong Limited under the stock code "678" and a secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited under the stock code "S21". Travellers is listed on the Philippine Stock Exchange under the ticker "RWM".

For more information about Genting Hong Kong, please visit www.gentinghk.com.

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Forward-looking Statements

This press release 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 press release 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.