GENTING
HONG KONG

Genting Hong Kong Limited
(Continued into Bermuda with limited liability)
Stock Code : 678

2014
ANNUAL REPORT

EXPECT THE UNEXPECTED

MISSION STATEMENT

We are a leading global leisure, entertainment and hospitality corporation committed to enhancing shareholder value and maintaining long term sustainable growth in our core businesses.

We will:

Be responsive to the changing demands of our customers and excel in providing quality products and services.

Be committed to innovation and the adoption of new technology to achieve competitive advantage.

Generate a fair return to our shareholders.

Pursue personnel policies which recognise and reward performance and contributions of employees and provide proper development and opportunities for career advancement.

Be a responsible corporate citizen, committed to enhancing corporate governance and transparency.

CONTENTS

HASSLE-FREE TRAVEL AND RELAXATION

Pack-up and escape from the monotony of everyday life. Travellers can experience the multicultural facets of Asia through a wide range of shore excursions and an impressive array of facilities, entertainment, recreational activities and services coupled with our signature Asian hospitality.

CORPORATE PROFILE

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:

STAR CRUISES
Asia-Pacific

NORWEGIAN CRUISE LINE (Norwegian)
an associate of Genting Hong Kong

RESORTS WORLD MANILA (RWM)
an associate of Genting Hong Kong

Headquartered in Hong Kong, Genting Hong Kong has a presence in more than 20 locations worldwide with offices and representation in Australia, China, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Sweden, Taiwan, Thailand, 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, with a bold initiative to grow the Asia-Pacific region as an international cruise destination. Star Cruises together with its associate company, Norwegian, is the third largest cruise operator in the world, with a combined fleet of 28 ships cruising to over 450 destinations, offering approximately 47,400 lower berths.

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 three hotels including a six star all-suite Maxims Hotel, an iconic shopping mall, four high-end cinemas and a multi-purpose performing arts theatre. Travellers was listed on the Philippine Stock Exchange in 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. We will continue to leverage off the Genting Group's unrivalled regional expertise in land-based resorts development as we look to expand our own individual footprint. Genting Hong Kong constantly seeks new scalable business opportunities, and ways in which we can excel and improve in our 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 stock code "S21". Norwegian Cruise Line Holdings Ltd. is listed on the NASDAQ Global Select Market under the symbol "NCLH" and Travellers is listed on the Philippine Stock Exchange under the ticker "RWM".

ENDLESS SHOPPING AND DINING

Pamper yourself in extravagance. Indulge in the pleasures of shopping for international brands in a relaxing environment within our diverse selection of outlets or tantalise your palate with an exciting array of authentic culinary wonders masterfully created by our celebrated chefs.

FLEET PROFILE

SuperStar Virgo

Star Cruises is the leading cruise line in Asia-Pacific and has a fleet of seven ships which includes SuperStar Virgo, SuperStar Gemini, SuperStar Aquarius, SuperStar Libra, Star Pisces, MegaStar Taurus and The Taipan, offering various cruise itineraries in the Asia-Pacific region.

SuperStar Libra

Star Pisces

SuperStar Gemini

SuperStar Aquarius

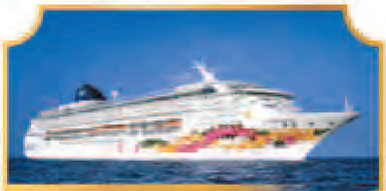
MegaStar Taurus

The Taipan

Norwegian Cruise Line is a diversified cruise operator of leading global cruise lines, which includes Oceania Cruises and Regent Seven Seas Cruises, spanning market segments from contemporary to luxury. These brands operate a combined fleet of 21 ships including the newest freestyle cruising ships Norwegian Getaway and Norwegian Breakaway.


Norwegian Jade

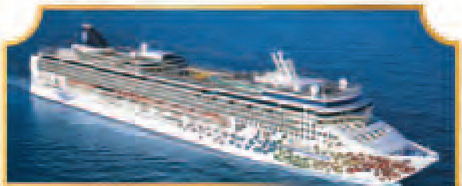

Norwegian Star


Norwegian Sky


Norwegian Getaway


Pride of America


Norwegian Breakaway


Norwegian Gem


Norwegian Epic


Norwegian Dawn


Norwegian Jewel


Norwegian Pearl


Norwegian Spirit


Norwegian Sun

SPLENDID ENTERTAINMENT

Every Genting Hong Kong property is a world-class theatre in its own right. There is nowhere better to catch dazzling live entertainment as the leading global leisure, entertainment and hospitality corporation always surprises guests with stunning production shows from entertainment capitals around the world, making every holiday a magical experience.

RESORTS WORLD MANILA

Resorts World Manila (RWM) celebrates five years of thrills. In 2014, the Philippines' pioneering and premier integrated resort, RWM recorded PHP5.45 billion in net profit, a 98.8% improvement as compared to 2013.

Having achieved five years in the business, RWM commemorated this significant milestone with a marathon party dubbed 'Give Me 5'. The month-long celebration began on 28 August in conjunction with RWM's anniversary and was highlighted by an employee initiated 5K charity fun run raising more than PHP1 million for beneficiaries—the Tzu Chi Foundation (Philippines) and the Pasay Social Welfare Department. This was but just one of the many crowning moments of another bright year in RWM's already colourful history.

In January, the creators of internationally acclaimed musicals Les Misérables and Miss Saigon presented a special concert entitled 'Do You Hear the People Sing?' at the Newport Performing Arts Theater (NPAT). The special concert raised PHP28.09 million for Habitat for Humanity, providing humanitarian relief and assistance to the rebuilding efforts of the central region of the Philippines that was devastated by Typhoon Haiyan just two months earlier.

January also saw the return of RWM's annual Lunar New Year celebration. The 2014 Lunar New Year celebration coincided with both RWM's Valentine's Day celebrations and the highly-anticipated concert 'The King & the Diva', which featured two of Philippine's music icons—Leo Tavarro Valdez and Kuh Ledesma.

Temperatures soared in March with the launch of 'Epic Summer' boasting a series of sizzling events headlined by American alternative rockers Vertical Horizon at the NPAT. World-renowned cat expert Mieschelle Nagelschneider a.k.a. The Cat Whisperer also made a special appearance at RWM's Newport Mall to share her knowledge and passion of our feline friends in a series of valuable talks.

In May, guests were invited to revel in the opening of RWM's fifth major stage production entitled 'Priscilla, Queen of the Desert'. The musical follows the story of two drag queens and a transsexual on a cross-country road trip for a cabaret gig in a resort town in the remote Australian desert aboard a bus named Priscilla. It featured a powerhouse Filipino cast and creative team. The initial run was so successful that the show was brought to Singapore where it met with an equally overwhelming response before returning to the NPAT by popular demand for a triumphant encore in the fourth quarter.

On 12 June, RWM held an inspirational event 'Pagpupugay: Gabi ng Parangal (A Tribute to 100 Years of Philippine Sports)' to celebrate the Philippine Independence Day and honor Filipino athletes who have been the pride of the country through the years. Filipino sports fans were also delighted in the partnership between RWM and National Basketball Association (NBA), which entitles RWM to host exclusive NBA events within the integrated resort with members' access to player visits, viewing sessions, welcome parties and much more.

In the third quarter, RWM launched Mobile Companion—its very first smartphone app for Android and iOS. With international sensations such as Il Divo, Air Supply, Tony Orlando, Stephen Bishop, Magic!, Christopher Cross and Rex Smith performing at the NPAT throughout 2014, the RWM Mobile Companion proved to be a truly indispensable tool for guests to keep track of all the promotions and events.

The fourth quarter kicked off with the ground breaking rites for Bayshore City Resorts World at the Entertainment City, Parañaque City. The ceremony formally marked the commencement of the construction and development of the second Resorts World property in the Philippines. The project is expected to be completed in the last quarter of 2018. The 31-hectare Bayshore City Resorts World will complete the Philippine Amusement and Gaming Corporation's (PAGCOR) Entertainment City as one of the four integrated resorts and is expected to contribute significantly to the Philippine tourism in the coming years.

The eventful month of November saw the second edition of the Resorts World Manila Masters on the Asian Tour tee off at the Southwoods Golf & Country Club. The tournament offered a record prize fund of US$1 million, the biggest purse in Philippine golfing history. Mardan Mamat of Singapore ended a two-year title drought and sealed his fourth Asian Tour success and second in the Philippines.

Also in November, RWM presented the longest and biggest yuletide celebration in the Philippines—the annual Grand Fiesta. Every year, RWM celebrates the holiday season with this two-month marathon shindig, featuring some of the top names in entertainment. Grand Fiesta 2014 adopted the Festival of Stars theme as a symbol of light and hope during the Christmas season.

Thrills aside, RWM's dedicated resolution to giving back to society manifested in 2014 through several corporate social responsibility initiatives. In the second quarter, RWM lived up to its promise of championing Filipinos by sponsoring the construction of two four-storey school buildings with a combined total of 48 classrooms for two public schools in Metro Manila. Travellers International Hotel Group Inc., RWM's owner and operator, and its designated beneficiary foundation, Manila Bayshore Heritage Foundation, Inc., under the supervision of PAGCOR and the Department of Education, successfully donated the new school buildings to the Pasay City East High School and Tambo Elementary School.

In 2014, RWM also garnered numerous awards to add to its already glowing collection of accolades. Remington Hotel was recognised by online travel agents Booking.com "Most Booked Hotel in Manila", Expedia.com "2014 Business Update and Partners Award", and Agoda.com "Gold Circle Awards"; as were Maxims Hotel and NPAT by TripAdvisor "Certificate of Excellence". The RWM culinary team took home top honors at the 8th National Food Showdown for the third consecutive year, and RWM won the Social Empowerment Award at the Asia Responsible Entrepreneurship Awards 2014 in recognition of its corporate social responsibility efforts.

CHAIRMAN'S STATEMENT

After the record breaking 20th anniversary year of 2013, Genting Hong Kong Limited ("GHK" or the "Company") and its subsidiaries (the "Group") continued to pursue excellence and consolidate the foundation for future growth.

Dear Valued Shareholders,

After the record breaking 20th anniversary year of 2013, Genting Hong Kong Limited ("GHK" or the "Company") and its subsidiaries (the "Group") continued to pursue excellence and consolidate the foundation for future growth. The year 2014 was an exciting and challenging one for GHK. The Company made its trading debut on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") through secondary listing in May, an important milestone that helped raise our profile amongst the investing community in the region who are familiar with the Genting brand and its services. As an industry leader that never rests on its laurels, GHK continued to expand its scope of investment. In October, a ground breaking was held for Bayshore City Resorts World at the Entertainment City, Parañaque City, Philippines. It is the second world-class resort owned and operated by our associate Travellers International Hotel Group, Inc. ("Travellers") in the Philippines. Its completion in late 2018 is expected to bring significant contribution to tourism in the Philippines in the years to come. Norwegian Cruise Line Holdings Ltd. ("NCLH"), another associate of GHK, completed the acquisition of Prestige Cruises International, Inc. ("Prestige"), the parent company of Oceania Cruises and Regent Seven Seas Cruises, in November. With this acquisition, NCLH operates a portfolio of brands that spans all market segments in the cruise industry, from contemporary to upper-premium to luxury.

To reinforce Star Cruises' position as a leading premium brand in Asia and to further strengthen our market penetration in the region, we have ordered a second brand new 150,000-tonne vessel. The Euro 697.2 million mega cruise ship, together with its sister ship ordered in 2013, will further bolster our presence in the region. To pave the way for their deliveries in 2016 and 2017, Star Cruises strategically deployed its newly refurbished flagship SuperStar Virgo to Hong Kong in April. The luxury vessel was the only cruise ship homeported in Hong Kong year-round that provided various destination cruises. We also introduced celebrated Michelin-starred delicacies and exclusive entertainment on board our ship, catering to the various tastes of our customers.

These investments and efforts, together with our acquisition of the luxury cruise brand Crystal Cruises, Inc. ("Crystal Cruises"), is a reflection of our long term commitment to enhance our guests' experiences and, in doing so, continue to build sustainable growth and value for our brands and the Company.

The Group's net income for 2014 was US$384.1 million, maintaining a strong net cash position of US$260.1 million as of 31 December 2014, higher than the total of US$189.0 million as of 31 December 2013. The Group profited from the increase in our share of profit of NCLH and Travellers. A US$152.6 million gain on disposal of ordinary shares in NCLH also generated US$246.9 million net sale proceeds to the Group. NCLH's issuance of certain new shares for its acquisition of Prestige resulted in a US$124.0 million gain for the Group from its deemed disposal of certain stake in NCLH. In addition, the revaluation and unwinding of financial assets generated a US$18.0 million fair value gain, compared with impairment and fair value losses of US$94.5 million in 2013. We also recovered a US$13.8 million loan receivable which was previously provided for in the year before. In 2014, the Group reduced net finance costs by US$16.1 million.

Due to less one-off gains, we recorded a decrease in net profit in 2014 as compared with 2013.

PERFORMANCE

The turnover of Star Asia was US$570.8 million in 2014, up 2.9% from 2013. Star Asia continues to contribute to the cruise industry development in Asia Pacific while looking for new market opportunities. The commission of the construction of a second 150,000-tonne mega vessel has demonstrated our commitment and confidence in the Asian cruise industry.

Leveraging on its advantage and experience of being the pioneering Asian cruise operator, Star Cruises will further cement its leading position and increase its market penetration in the region. The addition of the two new vessels and the US$19.7 million refurbishment of SuperStar Virgo is part of our strategy to modernise our expanding fleet. The extended deployment of SuperStar Virgo to Hong Kong, together with its international destination cruises to Taipei (Keelung), Kaohsiung, Taichung, Sanya and Halong Bay, serves to build up the momentum in the Greater China market and to prepare our Asian travellers for the introduction of the two new ships that are tailor-made for them. SuperStar Gemini and SuperStar Aquarius made notable inaugural voyages to Kuantan, Malaysia in April and to Puerto Princesa in the Philippines in November, respectively. We have launched original and reintroduced fan-favourite themed cruises to attract new customers and to retain returning ones. SuperStar Virgo's gourmet cruise launched in May, in partnership with Hong Kong celebrity chef Kenny Chan, was well-received. We have also added Michelin inspired flavours to the ship by presenting items from three-starred restaurant Sun Tung Lok. In addition to our in-house productions, Star Cruises presented the globally acclaimed Korean comedy show, NANTA (Cookin') Show, for the very first time at sea onboard SuperStar Gemini and SuperStar Libra. These new initiatives highlight our commitment to continuously improve our range of products offerings.

Once again, NCLH demonstrated solid growth in 2014, marked by a 21.6% improvement in revenue to US$3.1 billion. It was driven by a 19.8% increase in capacity days due to the addition of Norwegian Breakaway and Getaway in April 2013 and January

2014 respectively, and the addition of capacity days from the Prestige fleet. The Group's share of profit of NCLH amounted to US$95.0 million in 2014, significantly higher than the US$38.0 million in 2013, primarily due to the improvement in NCLH's operating income and the absence of one-off expenses related to early repayment of debts pursuant to NCLH's IPO in 2013 notwithstanding the reduction of the Group's equity interest in NCLH.

Travellers, which owns and manages Resorts World Manila ("RWM"), celebrated its fifth anniversary in 2014. The Group's share of profit of Travellers totalled US$52.4 million, up from US$31.2 million in 2013, primarily due to the improvement in Travellers' operating expenses on cost management initiatives. RWM maintained its leading position in the Philippine entertainment and tourism industries by bringing top-rated productions like "Priscilla, Queen of the Desert: the Musical", sports events such as the RWM Masters golf tournament and festive celebrations including the annual Grand Fiesta to locals and visitors from around the world.

CAPITAL AND FUNDING

In 2014, GHK completed its sale of 7.5 million NCLH shares, generating US$246.9 million net proceeds. GHK also received deferred consideration totalling US$37.0 million from the sale of Norwegian Sky consummated in June 2012, net proceeds of US$59.9 million from disposal of certain financial assets and a US$31.4 million dividend from our investment in jointly controlled entities and associates. As of 31 December 2014, we had a net cash position of US$260.1 million and liquidity of US$1.15 billion, which comprised of cash, cash equivalent and undrawn credit facilities. With the strengthened financial position, we pared down loans and borrowings by US$288.0 million and continued to invest in capital expenditure for business enhancement during the year.

CORPORATE SOCIAL RESPONSIBILITY

Good corporate citizenship has always been an integral part of our values. In 2014, we remained committed to contributing toward charitable causes and local communities across the region. Our donations to charitable causes and sponsorship of cultural and sport events totalled more than US$259,000 in cash and value including a contribution of US$47,700 to the Social Affair Bureau of Kaohsiung City Government in aid of the affected residents of the gas explosion tragedy in Kaohsiung. In recognition of our support of its Typhoon Haiyan Relief Operation, Hong Kong Red Cross awarded GHK the "Annual Big Donors – Diamond Award". In another Super Typhoon Haiyan relief initiative, Resorts World Manila joined hands with ABS-CBN Philharmonic Orchestra to present a special concert in January entitled "Do You Hear the People Sing?", performed by a 100-member choir conducted by musical director Gerard Salonga. The concert raised US$634,731 for Habitat for Humanity to help rebuild homes in areas devastated by the 2013 typhoon.

We hold education and youth development close to our heart. To help school students broaden their horizons, the charity initiative "Star Cruises' Dream Voyage to Taiwan" invited 60 disadvantaged students with outstanding academic performance from 17 local Hong Kong primary schools on a SuperStar Virgo 4D3N Kaohsiung/Taichung cruise in August.

Star Cruises also made charity donations to Mary Chapman School for the Deaf and Tharbarwa Centre in Yangon and sponsored cabins and donated to the Children's Wishing Well project in Singapore to help its fundraising efforts for the children, youths and underprivileged families there. We have continued to partner with Heep Hong Society in Hong Kong to offer internships to autistic teenagers for the third year.

PROSPECT

Star Asia will continue to explore and develop new opportunities with the deployment of the Star Cruises fleet across Asia. Besides extending its deployment in Hong Kong throughout 2015, SuperStar Virgo will offer short party cruises as well as destination cruises to Sanya, Kaohsiung, Taichung and Halong Bay. With SuperStar Aquarius completing its homeport run in Kota Kinabalu in early March 2015, it returned to homeport in Keelung for the rest of the year. To meet the Taiwan market's strong demand for Japanese itineraries, SuperStar Aquarius will also offer special cruises to new Japanese and Korean locations like Kagoshima, Nagasaki and Jeju. For the Southeast Asian market, both SuperStar Gemini and SuperStar Libra will continue to homeport in Singapore and Penang respectively, offering popular year-round itineraries that include High Seas cruises and destination cruises to neighbouring regions such as Malaysia and Thailand.

We have recently entered into an agreement to acquire Crystal Cruises for US$550 million. The acquisition, expected to be completed in the second quarter of 2015, will add two award-winning luxury ships—Crystal Serenity and Crystal Symphony—to our growing fleet. Crystal Cruises is the leading cruise line in the luxury segment. It has been rated "World's Best Cruise Ship" for 21 out of 22 years by Condé Nast Traveller since 1992 and 19 consecutive years as "World's Best" Large Ship Cruise Line since 1995. It was named the "Best Luxury Cruise Line" by Virtuoso in 2014. The acquisition presents an excellent opportunity for the Group to expand its cruise business worldwide.

NCLH also has an exciting line-up of new ships to add to its fleet, including Norwegian Escape, which had its keel laying in Papenburg, Germany in September. It will be Norwegian's largest ship to date, carrying 4,200 passengers, and set for delivery in October 2015. Norwegian also ordered two new Breakaway-Plus class cruise ships for delivery in the second quarter of 2018 and the fourth quarter of 2019. Each ship will be 164,600 tonnes and include 4,200 passenger berths.

On the ground, the West Wing of the Marriott Hotel Manila in RWM is set to open in December 2015. It will house an additional 228 rooms, ramping up Marriott's total room count to 570 by the time the project finishes. The development is part of RWM's phase two expansion project to maximise the integrated resort's sprawling property. A state-of-the-art grand ballroom is set to open in the second quarter of 2015.

STRATEGY

The Group constantly reviews its business strategy and looks for investment opportunities to enhance its product offerings and customer experience. The acquisition of Crystal Cruises will allow the sharing of knowledge, expertise and best practices between our existing cruise operations and Crystal Cruises, and to capitalise on the growing global demand in the luxury cruise market. Further, it can also enhance the Company's revenue and profitability potential through the proposed addition of a third new vessel for the Crystal Cruise brand. Other than expanding and modernising our fleet through acquisition and new builds for the various cruise brands under the Company, we will also keep upgrading and perfecting our onboard offerings for our target customers. As the premium market in Asia continues to grow with the burgeoning middle class in the region, Star Cruises will soon be introducing a series of innovative initiatives to increase its market penetration. Among them is the industry's first mini-submarine offering an exclusive underwater exploration adventure experience for guests on board the all-suite private cruise ship, The Taipan.

ACKNOWLEDGEMENT

It is my pleasure to represent the Board of Directors and Management in expressing our sincere gratitude to various central and local authorities, business partners, consultants, travel agents, customers and loyal shareholders for their tremendous support throughout the year.

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

19 March 2015

GLOBAL HIGHLIGHTS

TTG Travel Awards 2014

Star Cruises was inducted into TTG Travel Awards "Travel Hall of Fame" for a seventh year in recognition of the Company's ten consecutive wins as the "Best Cruise Operator in the Asia-Pacific".

World Travel Awards 2014

Star Cruises was voted once again by the travel and tourism professionals as "Asia's Leading Cruise Line" at the World Travel Awards Asia & Australasia Gala Ceremony 2014 on 10 Oct. This is Star Cruises' third consecutive year as Asia's Leading Cruise Line. Norwegian Cruise Line was also named "Europe's Leading Cruise Line" for the seventh consecutive year.

ifeng.com annual award for travel brand

With a vision on business development and commitment to develop tourism in Asia Pacific, Star Cruises was awarded the "ifeng.com Annual Award - travel brand" by ifeng.com

AWARD

Battle of the Chefs 2014

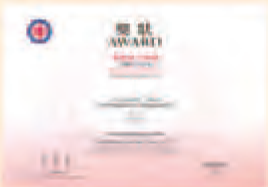
The chefs of SuperStar Libra achieved new success at the Battle of the Chefs 2014, clinching a total of 27 medals that included one Gold, five Silver and 21 Bronze, together with 14 diploma awards, as well as the Most Outstanding US Potatoes Master Chef Challenge Award.

Hong Kong White Collar's Most Favourite "Cruise Holidays" Brand Award 2014

Voted by white collar professionals, Star Cruises was awarded the "Hong Kong White Collar's Most Favourite 'Cruise Holidays' Brand Award 2014".

Asia Responsible Entrepreneurship Awards 2014

Travellers International Hotel Group, Inc. was recognised by the Asia Responsible Entrepreneurship Awards 2014 Southeast Asia and awarded the AREA 2014 Social Empowerment Award for the achievements of its Corporate Social Responsibility projects.



Hong Kong Red Cross Diamond Award

Genting Hong Kong received the Annual Big Donors – Diamond Award from the Hong Kong Red Cross as a token of appreciation for the company's support of its Typhoon Haiyan Relief Operation.

My Favourite Cruise – Asia

Star Cruises was awarded "My Favourite Cruise – Asia" in the U Magazine Travel Awards 2014, acknowledging Star Cruises' quality products and service offerings.

1st Battle of the Halal Chefs 2014

The chef team of SuperStar Libra took home a total of 17 awards (two Gold, five Silver, five Bronze medals and five diplomas) at the 1st Battle of the Halal Chefs 2014, held from 17 to 19 Jan at Setia SPICE, Penang, Malaysia.

CORPORATE EVENTS

Christening ceremony of Norwegian Getaway

Norwegian Getaway arrived at her homeport city in Miami on 6 Feb and was christened on 7 Feb with the Miami Dolphins Cheerleaders serving as Godmothers for the ship.

Star Cruises to order a second new vessel

Star Cruises entered into an agreement with Meyer Werft to build a second new luxury cruise ship which will be delivered in fall 2017.

SuperStar Aquarius Kota Kinabalu, Sabah Welcome Ceremony

SuperStar Aquarius returned to Kota Kinabalu, Sabah (Malaysia) for her second season on 8 Nov. A special welcome ceremony was held onboard SuperStar Aquarius and was graced by guests from the Sabah Tourism Board and business partners.

Ground breaking ceremony of Bayshore City Resorts World

The ground breaking ceremony of Bayshore City Resorts World was held on 1 Oct at the Entertainment City in Manila. The construction and development of the second Resorts World property in the Philippines is targeted to be completed in the last quarter of 2018.

SuperStar Gemini Kuantan Welcome Ceremony

Star Cruises celebrated SuperStar Gemini's inaugural voyage to Kuantan on 7 April, making it the first international cruise line to call at port in the capital state of Pahang (Malaysia) in 2014.

SuperStar Aquarius Puerto Princesa Inaugural Cruise Ceremony

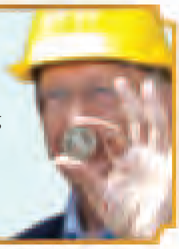
Star Cruises celebrated its first port-of-call to Puerto Princesa in the Philippines with the arrival of SuperStar Aquarius. Passengers received a warm welcome from the locals with a series of spectacular live cultural dance performances.

SuperStar Virgo returns to Hong Kong

SuperStar Virgo returned to Hong Kong for the first time in six years on 7 Apr. Guests from Hong Kong Tourism Commission, the Hong Kong Tourism Board, Taiwan Tourism Bureau and Kaohsiung Government witnessed the celebration ceremony held onboard to commemorate the occasion.

Keel Laying Ceremony of Norwegian Escape

Norwegian Cruise Line celebrated the keel laying of Norwegian Escape in Papenburg, Germany, officially marking the start of the ship's construction. Norwegian Escape will be Norwegian's largest ship to date and is set for delivery in October 2015.



The second Resorts World Manila Masters

The second Resorts World Manila Masters was held from 20 to 23 Nov. The tournament offered a record prize fund of US$1 million, the biggest purse in Philippines' golfing history.

Penang Chinese New Year Cultural and Heritage Celebration 2014

Star Cruises sponsored the Penang Chinese New Year Cultural and Heritage Celebration 2014, which attracted over 100,000 visitors to the streets of George Town, Penang (Malaysia) to share in the festive revelry. The annual cultural event showcased the Chinese Cultural heritage to both local and international tourists.

Drill exercise onboard SuperStar Gemini

The Maritime and Port Authority of Singapore organised a drill exercise together with more than 20 organisations including the Singapore Police Force, the Singapore Civil Defence Force and the Singapore Armed Forces onboard SuperStar Gemini. Nearly 700 volunteers participated in the drill.

"The Lion Men" Celebration Cruise

Star Cruises celebrated the relocation of SuperStar Gemini to Singapore with a celebration cruise from 4 to 6 Apr with Singaporean director Jack Neo and the cast of the blockbuster movie "The Lion Men". The cast later returned to SuperStar Gemini for a 2-Night Malacca cruise from 15-17 Oct, in celebration of the release of the movie's sequel "The Lion Men II: Ultimate Showdown".

Resorts World Manila teams up with NBA

RWM signed a partnership with the National Basketball Association (NBA) which will entitle RWM to host exclusive NBA events with members' access to player visits, viewing sessions and welcome parties.

German Pool Cooking Class onboard SuperStar Virgo

Star Cruises launched a series of cooking classes led by professional chefs onboard SuperStar Virgo in collaboration with German Pool, a cooking appliance brand.

"NANTA at sea" Cruises

Star Cruises premiered the globally acclaimed Korean comedy NANTA Cooking for the very first time at sea onboard SuperStar Gemini and SuperStar Libra.

Shin Min & The Bosses Network SME Learning Cruise 2014

Star Cruises collaborated with the Shin Min Daily News and The Bosses Network for the 11th SME Learning Cruise, attracting over 600 small and medium Chinese enterprises.

SuperStar Virgo adds Michelin flavors

SuperStar Virgo restaurants joined hands with Michelin Chef Kenny Chan to launch and offer unforgettable delicacies onboard SuperStar Virgo. Guests were treated to a gastronomical journey while cruising with Chef Chan to Taiwan.

Supporting homes devastated by typhoon Haiyan in the Philippines

Resorts World Manila joined hands with the ABS-CBN Philharmonic Orchestra to present a special concert "Do You Hear the People Sing?" performed by a 100-member choir and conducted by musical director Gerard Salonga. The concert raised PHP28.09 million for Habitat for Humanity to help rebuild homes devastated by super typhoon Haiyan in the Philippines in 2013.

CORPORATE SOCIAL RESPONSIBILITY

Genting Hong Kong donates to the affected residents of the Kaohsiung gas explosion

Genting Hong Kong donated NTD1.5 million to the Social Affair Bureau of Kaohsiung City Government in aid of the affected residents of the gas explosion tragedy in Kaohsiung. A cheque presentation ceremony was held at Banana Pier upon the arrival of SuperStar Virgo in Kaohsiung on 21 Aug.

Star Cruises and the Taiwan Tourism Bureau jointly organised a charity cruise for Hong Kong students

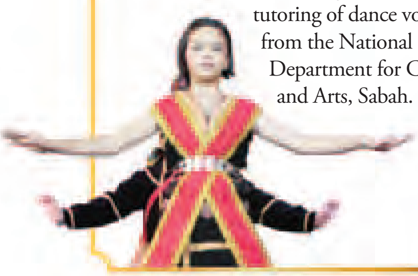
The charity initiative "Star Cruises' Dream Voyage to Taiwan", co-organised by Jetour Charity Foundation Limited, Hong Kong and Macau Taiwanese Charity Fund Limited and The Chinese Society of Applied Psychology, invited 60 selected students with outstanding academic results from 17 local Hong Kong primary schools to be part of SuperStar Virgo's Taiwan cruise on 20 August 2014 with Taiwan's famous online artist Cherng and popular illustrator Song Song Meow Second.

Children's Wishing Well Charity Cruise

As part of Star Cruises' ongoing corporate social responsibility initiative, Star Cruises donated SGD$30,000 to the Children's Wishing Well project, and sponsored cabins to help raise funds for children, youth and underprivileged families in Singapore.

NBOS Voluntutoring Dance Appreciation

The Ministry of Tourism & Culture Malaysia Sabah Office and Star Cruises welcomed members of the Sabah Society for the Deaf to the 'National Blue Ocean Strategy (NBOS) Voluntutoring Dance Appreciation' event onboard SuperStar Aquarius on 29 Mar. The group learned and participated in Malaysian cultural dances with the guidance and tutoring of dance volunteers from the National Department for Culture and Arts, Sabah.



Charity ship tour for the children survivors of Typhoon Morakot

Genting Hong Kong invited more than 100 children who had survived Typhoon Morakot to tour SuperStar Virgo with the Director of Social Affairs Bureau of Kaohsiung, Mr. Chang Nai-Chien, during SuperStar Virgo's first call to Kaohsiung as part of its Hong Kong deployment.

Singapore Kwong Wai Shiu Hospital Charity Cruise on SuperStar Gemini

Star Cruises' support of the Kwong Wai Shiu Hospital Charity Cruise successfully raised SGD25,000 in aid of the hospital's operational expenses and its redevelopment projects. The fund-raising initiative was made possible by Star Cruises' donation of cabins for the 3-Day-2-Night cruise to Malacca on SuperStar Gemini on 23 Jul.

Donation to Crossroads Foundation

SuperStar Virgo donated approximately 160 used beds with mattresses to the Crossroads Foundation to help people in need in Hong Kong and around the world.

Genting Hong Kong supports Philippines National Day Charity Ball

In June, Genting Hong Kong supported the Philippines Independence Day celebration with a series of activities in Hong Kong. Resorts World Manila's musicians Shayne & The Brown Union together with PRIMOVERRA were invited to perform at the charity ball and the Philippines Independence Day Reception event.

Special Cruise to Yangon in support of the needy

During SuperStar Libra's annual cruise to Yangon, cruisers visited the Mary Chapman School for the Deaf and the Tharbarwa Centre. During the visit. Star Cruises donated USD6,000 to Mary Chapman School for The Deaf in support of the school's daily operations.

Bringing Joy and Love to Children in Hospital

Star Cruises and the Sabah Hotel Association organised a special early Christmas visit to the Children's Pediatric Oncology ward at the Likas Hospital in Kota Kinabalu, Sabah (Malaysia) on 18 Dec. The children at the ward were treated to a special Christmas celebration by volunteers from SuperStar Aquarius and the Sabah Hotel Association.

Resorts World Manila Executives and Staff Run for Charity

Resorts World Manila's staff organised the Give Me 5K Fun Run charity event and raised more than PHP1 million for the Pasay City Pasay Social Welfare Department and Tzu Chi Foundation (Philippines).

Genting Hong Kong celebrates Christmas with underprivileged families onboard SuperStar Virgo

Genting Hong Kong extended its hospitality to 70 underprivileged children onboard SuperStar Virgo with a special buffet dinner to celebrate Christmas. The event was co-organised with The Sun Charitable Fund and HKSKH Lady Maclehose Centre, as part of Genting Hong Kong's ongoing corporate social responsibility initiatives.

Genting Hong Kong welcomes Chung Sing Benevolent Society's senior citizens onboard Star Pisces

Genting Hong Kong organised a special ship tour and luncheon onboard Star Pisces for the senior citizens and volunteers from the Chung Sing Benevolent Society Lau Mui Hin Home for the Elderly. The special event was held to share our love, care and support for our senior citizens.

Donation of new buildings to two public elementary schools in Metro Manila

Travellers International Hotel Group Inc. and its designated beneficiary foundation, Manila Bayshore Heritage Foundation, Inc., donated two brand new school buildings to the Pasay City East High School and Tambo Elementary School.

CORPORATE INFORMATION

Board of Directors

Executive Directors

Tan Sri Lim Kok Thay
(Chairman and Chief Executive Officer)

Mr. Lim Keong Hui
(Executive Director – Chairman's Office and Chief Information Officer)

Independent Non-executive Directors

Mr. Alan Howard Smith
(Deputy Chairman)

Mr. Lam Wai Hon, Ambrose

Non-executive Director

Mr. Justin Tan Wah Joo

Secretary

Ms. Louisa Tam Suet Lin

Assistant Secretary

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Certified Public Accountants
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General Description of the Group's Business

Genting Hong Kong is the leading global leisure, entertainment and hospitality corporation. The primary business activity of Genting Hong Kong is cruise and cruise related operations under the brands of Star Cruises, Norwegian Cruise Line and 2 newly joined members, Oceania Cruises and Regent Seven Seas Cruises. These brands operate a combined fleet of 28 ships visiting over more than 450 destinations worldwide, offering approximately 47,400 lower berths and is the world's third largest cruise operator.

Genting Hong Kong's first foray in a land-based attraction, Resorts World Manila opened its doors in the Philippines to the public in August 2009. Resorts World Manila is one of the premier leisure brands under the Genting Group and the Philippines' first one-stop, nonstop vacation spot for topnotch entertainment and world-class leisure alternatives, featuring 3 hotels including a six star all-suite Maxims Hotel, an iconic shopping mall, 4 high-end cinemas and a multi-purpose performing arts theatre.

Terminology

Capacity days represent double occupancy per cabin multiplied by the number of cruise days for the period.

Net yield represents net revenue per capacity day.

Ship or cruise operating expenses represent operating expenses excluding commissions, transportation and other expenses and onboard and other expenses. Norwegian Cruise Line Holdings Ltd. ("NCLH" or "Norwegian") and its subsidiaries ("Norwegian Group"), reporting under US GAAP, accounts for drydocking costs under the direct expense method and these costs are classified as ship operating expenses. Under HKFRS, the drydocking costs are included as a separate component of the ship costs to be amortised to the subsequent drydocking generally every 2 to 3 years in the depreciation and amortisation.

Passenger cruise days represent the number of passengers carried for the period, multiplied by the number of days in their respective cruises.

Occupancy percentage, in accordance with cruise industry practice, represents the ratio of passenger cruise days to capacity days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins.

The Philippine Amusement and Gaming Corporation ("PAGCOR") is 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.

Overview

Total revenues

Total revenues of the Group consist of the following:

Revenues from the Group's cruise and cruise related activities are categorised as "gaming revenue", "passenger ticket revenue" and "onboard and other revenues". Passenger ticket revenues and onboard revenues vary according to the size of the ship in operation, length of cruises operated and the markets in which the ship operates.

Gaming revenue mainly consist of revenue generates by the club operation less commission and volume rebate.

Passenger ticket revenue primarily consist of payments for accommodation, meals in certain restaurants on the ship, certain onboard entertainment, and include payments for service charges and air and land transportation to and from the ship, to the extent passengers purchase those items from the Group. Passenger ticket revenues are generally collected from passengers prior to their departure on the cruise.

Onboard and other revenues consist of revenues primarily from food and beverage sales, shore excursions, retail sales and spa services. The Group records onboard revenues from onboard activities the Group performs directly or that are performed by independent concessionaires, from which the Group receives a percentage of their revenues.

The cruise industry in Asia Pacific is less seasonal due to the lower degree of seasonal climate variation in certain parts of Asia Pacific, particularly the Southeast Asia. Demand also varies by ship and itinerary.

Overview (Continued)

Operating expenses

Operating expenses consist of commissions, transportation and other expenses, onboard and other expenses, payroll and related expenses, fuel expenses, food expenses and other operating expenses.

Commissions, transportation and other expenses consist of those amounts directly associated with passenger ticket revenues. These amounts include travel agent commissions, air and other transportation expenses, credit card fees and certain port expenses.

Onboard and other expenses consist of direct costs that are incurred primarily in connection with onboard and other revenues. These costs are incurred in connection with gaming, shore excursions, beverage sales, land packages and sales of travel protection for vacation packages.

Payroll and related expenses represent the cost of wages and benefits for shipboard employees.

Fuel expenses include fuel costs, the impact of fuel hedges and delivery costs.

Food expenses consist of food costs for passengers and crew, which typically vary according to the number of passengers onboard a particular cruise ship.

Other operating expenses consist of costs such as repairs and maintenance, ship insurance and other ship expenses.

Selling, general and administrative expenses

Selling expenses consist of the expenses in respect of the Group's marketing activities. These marketing activities include advertising and promotional activities, and other passenger related services, such as the Group's loyalty programmes.

General and administrative expenses consist of shoreside personnel wages and benefits, and expenses relating to the Group's world-wide offices, information technology support, crew training and support, operation of the Group's reservation call centres and support functions, accounting, purchasing operations, ship administration and other ship-related support activities.

Depreciation and amortisation expenses

Depreciation and amortisation expenses consist primarily of depreciation of ships and shoreside assets. Costs associated with drydocking a ship are deferred and included in the cost of the ship and amortised over the period to that ship's next scheduled drydocking which is generally once every two years.

Year ended 31 December 2014 ("Year 2014") compared with year ended 31 December 2013 ("Year 2013")

Turnover

The Group reported revenue of US$570.8 million for 2014, a 2.9% growth from that of 2013. Gaming revenue increased 10.5% to US$348.9 million mainly due to a higher blended hold rate despite reduction in gaming volume. Passenger ticket revenue decreased 15.6% to US$134.8 million mainly due to the drydock of m.v. SuperStar Virgo ("Virgo") as well as changes in deployment and itineraries of m.v. SuperStar Gemini ("Gemini") and Virgo, which included the relocation of Gemini from Shanghai to Singapore and of Virgo from Singapore to Hong Kong in 2014.

Costs and Expenses

Total costs and expenses in 2014, excluding depreciation and amortisation, increased by 2.8% to US$522.0 million, generally in line with the growth in turnover. Total costs and expenses, excluding fuel expenses and depreciation and amortisation, increased 4.2% to US$459.0 million but increased only 2.1% on a per-capacity-day basis compared with that of 2013.

Fuel expenses, included in total costs and expenses, declined 6.4% to US$63.0 million due to lower overall fuel consumption mainly as a result of Virgo's drydocking in January 2014 and change of its itinerary to Hong Kong, coupled with a 4.5% decrease in average fuel price. Star Cruises' average fuel price per metric ton, net of hedges, was US$633 in 2014 compared with US$663 in 2013.

Total depreciation and amortisation expenses increased 10.2% to US$90.8 million in 2014, primarily due to the additional capitalised drydock expenses of Virgo in 2014 and amortisation of a land use right starting from 2014.

Year ended 31 December 2014 ("Year 2014") compared with year ended 31 December 2013 ("Year 2013") (Continued)

EBITDA

The Group's EBITDA for 2014 was US$48.9 million, compared to US$46.9 million for 2013.

Share of Profits of Jointly Controlled Entities ("JCE") and Associates

Share of profit of NCLH amounted to US$95.0 million in 2014, compared with US$38.0 million in 2013, primarily due to the improvement in NCLH's operating income and the absence of one-off expenses related to early repayment of debts pursuant to NCLH's IPO in 2013 notwithstanding the reduction of the Group's equity interest in NCLH.

Share of profit of Travellers International Hotel Group, Inc. ("Travellers") totalled US$52.4 million, compared with US$31.2 million in 2013, primarily due to the improvement in Travellers' operating expenses on cost management initiatives.

Other Income/(Expenses), net

Net other income in 2014 amounted to US$8.4 million compared with US$14.9 million net other expenses in 2013. 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 in 2013, offset by foreign exchange loss of US$8.6 million resulting from the depreciation of certain foreign currencies against US dollars in 2014 (2013: US$6.8 million).

Other Gains, net

Net other gains in 2014 amounted to US$301.0 million compared with US$576.3 million in 2013. In 2014, net other gains included (i) a US$152.6 million gain on disposal of certain ordinary shares in NCLH, (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 Cruises International, Inc. ("Prestige"), which was completed in November 2014, and (iii) a US$18.0 million gain on revaluation of certain financial assets.

Net other gains in 2013 mainly included (i) a US$219.0 million gain on deemed partial disposal in connection with the IPO of Travellers and NCLH and (ii) a US$451.7 million gain on subsequent disposals of NCLH ordinary shares, partially offset by (iii) a US$85.7 million impairment loss on certain available-for-sale investments, and (iv) a US$8.8 million fair value loss on certain financial assets.

Net Finance Costs

Finance costs, net of finance income, decreased 46.7% to US$18.4 million in 2014 mainly attributed to the redemption of the Group's matured RMB bonds in June 2014 and capitalisation of certain interest expenses for qualifying assets.

Profit Before Taxation

Profit before taxation for 2014 was US$397.8 million compared to US$565.9 million for 2013.

Profit Attributable To Equity Owners

Profit attributable to equity owners of the Company was US$384.5 million for 2014 compared to US$552.4 million in 2013.

Liquidity and capital resources

Sources and uses of funds

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. For the Year 2014, cash and cash equivalents decreased to US$718.6 million from US$935.4 million as at 31 December 2013 for the Group. The decrease of US$216.8 million in cash and cash equivalents was mainly due to the net effect of the following items:

(a) During the year ended 2014, the Group received net proceeds of approximately US$300.0 million from the disposals of equity interest in NCLH, while US$683.9 million was received in 2013.

(b) The Group received US$37.4 million dividend income from its investments in jointly controlled entities, associates and other investments in 2014 compared with US$66.2 million dividend income in 2013.

Year ended 31 December 2014 ("Year 2014") compared with year ended 31 December 2013 ("Year 2013") (Continued)

Liquidity and capital resources (Continued)

Sources and uses of funds (Continued)

(c) The Group's business recorded US$31.3 million of net cash inflow from operations in 2014 compared to US$93.1 million net cash outflow in 2013. The increase of US$124.4 million was primarily due to changes of operating assets and liabilities during the year ended 2014 compared with 2013.

(d) The Group received US$59.9 million from disposal of financial assets, while in 2013, the Group committed a cash-settled total return equity swap amounting to US$50.7 million and used US$32.4 million to acquire available-for -sale investments.

(e) In 2014, the Group received deferred proceeds of approximately US$37.0 million from the disposals of a ship in 2012. The Group received net proceeds of approximately US$116.7 million from the disposal of the same ship in 2013.

(f) During the year ended 2014, the Group made a repayment of US$290.3 million under existing bank loan and redemption of the Group's matured RMB bonds. In 2013, the Group made a drawdown of US$207.2 million under the bank loan facilities as corporate and general working capital. The Group also made a repayment of US$278.8 million under existing bank loans in 2013.

(g) The Group's capital expenditure was approximately US$188.2 million in 2014. Majority of the capital expenditure relates to deposits and financing charges for newbuild vessels and vessel refurbishments and the remaining was drydocking and onboard assets. In 2013, the Group's capital expenditure was approximately US$140.7 million.

(h) The Group has made US$80.3 million dividend payment to shareholders during the year 2014 and also invested US$118.3 million in a jointly controlled entity.

Gearing ratio

The Group remained in a net cash position of US$260.1 million as at 31 December 2014, as compared with net cash position of US$189.0 million as at 31 December 2013. The total equity of the Group was approximately US$3,240.5 million (31 December 2013: US$2,949.2 million).

Contingent liabilities

Details of the Group's contingent liabilities as at 31 December 2014 are disclosed in note 36 to the consolidated financial statements.

Future commitments and funding sources

As at 31 December 2014, the Group had approximately US$0.46 billion of bank borrowings. Details of the borrowings and a schedule setting out the repayments of such borrowings are disclosed in note 28 to the consolidated financial statements. The outstanding bank borrowings are secured by legal charges over vessels including fixed and floating charges over assets of the Group of US$1.6 billion.

As at 31 December 2014, the Group's liquidity was US$1,150.0 million consisting of US$718.6 million in cash and cash equivalents and US$431.4 million available under the Group's existing credit facilities.

Prospects

In 2015, Virgo and Gemini will continue their homeport deployment in Hong Kong and Singapore, respectively. Gemini will be offering various itineraries cruising to destinations including Penang, Langkawi, Port Klang and Malacca while Virgo will be offering destination cruise from April onwards to Sanya, Halong Bay and Taiwan. M.v. SuperStar Aquarius will commence its seasonal deployment in Keelung, Taiwan from April.

Year ended 31 December 2014 ("Year 2014") compared with year ended 31 December 2013 ("Year 2013") (Continued)

Prospects (Continued)

Star Cruises has two new cruise ships on order with Meyer Werft GmbH for delivery scheduled in the fourth quarter of 2016 and 2017, respectively. The production of m.v. Genting World, the first of its two new cruise ships in the pipeline, officially commenced following the steel cutting ceremony on 9 February 2015 at Papenburg, Germany. Upon completion, each of the sister ships will be 151,000 gross tons with more than 1,600 cabins, accommodating approximately 4,500 passengers and 2,000 crew members. The 21-deck new cruise ship will offer a wide array of Asian and international food & beverage outlets as well as world-class recreation, health & fitness and conference facilities catering to the unique demands of the Asian clientele. The new ships are expected to reinforce Star Cruises' leading position in the Asia-Pacific. The Company has recently entered into an agreement to acquire Crystal Cruises, Inc. ("Crystal Cruises") and looks forward to completing the transaction, which will add two award-winning luxury ships – m.v. Crystal Serenity and m.v. Crystal Symphony – to our growing fleet, and expand the Company's presence in the cruise industry.

Travellers has subscribed to 3.23 billion shares in Resorts World Bayshore City Inc. ("RWBCI"), the developer of Bayshore City Resorts World at the Entertainment City in Paranaque City, making Travellers effectively a 95% owner of RWBCI. Bayshore City Resorts World will have at least 1,500 hotel rooms to be managed and operated by international hotel brands. These include "The Westin Hotel Manila Bayshore" of the Starwood Asia Pacific Hotels & Resorts and the "Genting Grand" and "Crockfords Tower" of the Genting group. Bayshore City Resorts World will be designed with attractions and facilities to accommodate millions of visitors and tourists annually and cater to different market segments ranging from families, the corporate sector, business travellers, tourists and the meetings and convention market. In addition to the branded hotels, highlights of Bayshore City Resorts World include a 3,000-seat Grand Opera House, mall, cinema, department stores, food and beverage outlets, entertainment and gaming facilities. Bayshore City Resorts World has commenced site development and is projected to open in the fourth quarter of 2018. Meanwhile, the second and third phase expansion projects for the development of new hotels and other gaming and non-gaming attractions at Resorts World Manila are in progress.

In November 2014, Norwegian Group completed its acquisition of Prestige. With this acquisition, NCLH operates a portfolio of brands that span all market segments in the cruise industry, from contemporary to upper-premium to luxury. Each brand offers differentiated experiences in their respective segments. The Norwegian Cruise Line brand provides the freedom and flexibility of a resort-style vacation on board some of the most innovative ships in the industry with its unique Freestyle Cruising proposition. Oceania Cruises offers an upper premium experience with the finest cuisine at sea on its fleet of mid-sized ships, while Regent Seven Seas Cruises is a market leader in the luxury cruise segment and operates three award-winning, all-suite ships, with an additional ship on order for delivery in summer 2016.

Norwegian Group currently operates 21 ships with approximately 40,000 berths visiting approximately 420 worldwide destinations. The NCLH's brands will introduce six additional ships through 2019 increasing the total berths to approximately 58,000. Four new ships are on order with Meyer Werft GmbH for delivery in the fourth quarter of 2015, the first quarter of 2017, the second quarter of 2018 and the fourth quarter of 2019, respectively. These ships will be similar in design and innovation to Norwegian's Breakaway-class ships and range from approximately 163,000 gross tons to 164,600 gross tons with 4,200 passenger berths each. Export credit financing is in place that provides financing for 80% of their contract prices.

Norwegian Group

The commentary below is based on NCLH's financial statements prepared in accordance with generally accepted accounting principles in the U.S.

Total revenue increased 21.6% to US$3.1 billion in 2014 compared to US$2.6 billion in 2013. Net revenue increased 25.0% in 2014, primarily due to an increase in capacity days of 19.8%. The increase in capacity days was primarily due to the delivery of Norwegian Breakaway in April 2013 and Norwegian Getaway in January 2014. The net yield improvement of 4.3% was due to higher net ticket and net onboard and other revenue. Adjusted net revenue excludes a deferred revenue fair value adjustment of US$10.1 million related to the acquisition of Prestige. The improvement in adjusted net yield was primarily the result of a 3.3% increase in NCLH stand-alone net yield and partially due to the addition of Prestige's brands to the fleet.

Year ended 31 December 2014 ("Year 2014") compared with year ended 31 December 2013 ("Year 2013") (Continued)

Norwegian Group (Continued)

Total cruise operating expense increased 17.4% in 2014 compared to 2013 primarily due to the increase in capacity days as discussed above. Total other operating expense increased 30.9% in 2014 compared to 2013 primarily due to transaction expenses related to the acquisition of Prestige and certain inaugural and launch related costs for Norwegian Getaway and an increase in depreciation and amortisation expense related to the addition of Norwegian Breakaway and Norwegian Getaway. On a capacity day basis, net cruise cost increased 3.6% due to the increase in expenses explained above partially offset by a decrease in fuel expense. The fuel price per metric ton, excluding the impact of hedges was US$605 in 2014 compared to US$686 in 2013. NCLH experienced a negative impact in 2014 of US$10.3 million on its hedge portfolio due to recent reductions in fuel prices compared to a benefit of US$4.7 million in 2013. Net of hedges, fuel price per metric ton decreased to US$625 in 2014 compared to US$675 in 2013. NCLH fuel consumption per capacity day decreased 3.1%. On a capacity day basis, net cruise cost excluding fuel increased 7.8% primarily due to costs related to the acquisition of Prestige and certain general and administrative costs and adjusted net cruise cost excluding fuel per capacity day increased 3.5%.

Interest expense, net decreased to US$151.8 million in 2014 from US$282.6 million in 2013. Interest expense, net for 2014 reflected an increase in average debt outstanding associated with newbuild financings and debt incurred in connection with the acquisition of Prestige, partially offset by lower interest rates from the benefits from the redemption of higher rate debt and refinancing transactions. In addition, 2014 reflects US$15.4 million of expenses related to financing transactions in conjunction with the Acquisition of Prestige while 2013 reflects US$160.6 million of expenses associated with debt prepayments.

In 2014, NCLH had an income tax benefit of US$2.3 million compared to an income tax expense of US$11.8 million for 2013. During the fourth quarter of 2013, NCLH completed the implementation of a global tax platform, which had a favorable impact on the amount of income subject to U.S. corporate tax. This favorable impact continued through calendar year 2014. In addition, during the first quarter of 2014, NCLH received information which allowed NCLH to elect a tax method to calculate deductible interest expense which resulted in a tax benefit of US$11.1 million including a US$5.3 million non-recurring benefit.

Travellers Group

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 2014, Travellers reported US$710.2 million in total revenues and US$178.1 million in EBITDA, compared with US$781.1 million total revenues and US$157.2 million EBITDA in 2013. The decrease in total revenues was mainly due to lower VIP drop and lower hold percentage during the year.

Total operating expenses amounted to US$475.8 million in 2014, compared with US$564.7 million in 2013, which was mainly due to cost management initiatives.

Finance costs amounted to US$22.3 million in 2014, which has decreased from US$31.4 million in 2013, mainly due to the decrease in borrowings balance in 2014.

Net income increased from US$64.1 million in 2013 to US$122.5 million in 2014.

The cash and cash equivalents balance decreased from US$579.9 million as at 31 December 2013 to US$398.2 million as at 31 December 2014, while the loans and borrowings balance decreased from US$397.5 million as at 31 December 2013 to US$299.5 million as at 31 December 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.

Year ended 31 December 2014 ("Year 2014") compared with year ended 31 December 2013 ("Year 2013") (Continued)

Travellers Group (Continued)

The 10% ITA measure is in keeping with the true spirit and intent of the terms of the Provisional License 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 for the Philippine Government. 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 certain circumstances enumerated in the measure occur, in effect declaring that gaming revenues are not subject to the corporate income tax. 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 five percent (5%) franchise tax, in lieu of all other taxes, under P.D. 1869, as amended, otherwise known as the PAGCOR Charter. A similar case filed on behalf of a PAGCOR licensee is pending with the SC as of the audit report date.

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, G.R. No. 215427 that income from gaming operations is subject only to 5% franchise tax, in lieu of all taxes. 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 pars. (b) and/or (c) of the foregoing ITA measure.

Strategy

The Group's key aim is to maintain and strengthen its leadership positions in its core business segments. The Group does this by offering innovative products and services while keeping its cost structure efficient. The Company intends to leverage on its understanding of the Asian markets to continue to identify opportunities within its core competencies and capabilities to drive its businesses. These initiatives include:

- developing new local cruising markets, secure priority or favourable berthing arrangements, and offering new deployment routes;
- maximising net yield and occupancy by introducing innovative products and onboard revenue initiatives catering to the Group's customer base;
- introduce two new luxury mega ships which expected to reinforce Star Cruises' leading position in the Asia-Pacific
- continue refurbishment and upgrading of its fleet; and
- continue asset rationalisation through repositioning of ships and disposal of low-yielding assets.

Building on the success of the existing operations at Newport City, Travellers intends to execute its growth strategy within a rapidly growing consumption market in the Philippines. Being the first mover in the Philippine market with continuous expansion plans and product innovation, the Company believes that Travellers will maintain its competitive advantage in the coming years. In 2014, Travellers has become the 95% owner of RWBCI. Bayshore City Resorts World will have at least 1,500 hotel rooms to be managed and operated by international hotel brands and will be designed with attractions and facilities to accommodate millions of visitors and tourists annually and cater to different market segments ranging from families, the corporate sector, business travellers, tourist and the meetings and convention market. Bayshore City Resorts World integrated complex is expected to become a premier travel destination.

Norwegian's product proposition is to provide cruisers a customised experience focused on freedom and flexibility, known as "Freestyle Cruising". While many cruise lines have historically required guests to dine at assigned group tables and at specified times, "Freestyle Cruising" offers the flexibility and choice to passengers who prefer to dine when they want, with whomever they want and without having to dress formally. Additionally, Norwegian increased the number of activities and dining facilities available onboard its cruise ships, allowing passengers to tailor their onboard experience to their own schedules, desires and tastes.

In November 2014, Norwegian Group completed its acquisition of Prestige. With this acquisition, NCLH operates a portfolio of brands that span all market segments in the cruise industry, from contemporary to upper-premium to luxury.

Human Resources

As at 31 December 2014, the Group had approximately 6,269 employees, consisting of approximately 5,012 (or 80%) shipbased officers and crew as well as approximately 1,257 (or 20%) staff employed in the various world-wide offices of the Group. The Group provides competitive salaries, benefits and incentives including provident fund schemes and medical insurance schemes for its staff. In addition, the Group had adopted a Post-listing Employees Share Option Scheme under which options may be granted to eligible employees of the Group entitling them to subscribe for shares in the share capital of the Company. Upon expiry of the said scheme on 29 November 2010, no further options may be granted thereunder while the outstanding options remain exercisable subject to the terms and conditions of the respective grants and the provisions of the scheme.

For year ended 31 December 2014, there is no significant change in the remuneration policies, bonus, share options scheme and training schemes for the Group.

Financial Instruments

General

The functional currency of the Group is the U.S. dollar as a substantial portion of the Group's transactions are realised or settled in U.S. dollars. Transactions in currencies other than U.S. dollars ("foreign currencies") are translated into U.S. dollars at exchange rates in effect at the transaction dates. Monetary assets and liabilities expressed in foreign currencies are translated at exchange rates at the statement date of consolidated statement of financial position. All such exchange differences are reflected in the consolidated statement of comprehensive income.

The Group is exposed to market risk attributable to changes in interest rates, foreign currency exchange rates and fuel prices. The Group attempts to minimise these risks through a combination of the normal operating and financing activities and through the use of derivative financial instruments. The financial impacts of these hedging instruments are primarily offset by corresponding changes in the underlying exposures being hedged. The Group achieves this by closely matching the amounts, terms and conditions of the derivative instruments with the underlying risk being hedged.

Foreign currency exchange rate risk

The Group is exposed to foreign currency exchange rate fluctuations on the U.S. dollar value of the Group's foreign currency denominated forecasted transactions. The Group's principal net foreign currency exposure mainly relates to the Singapore dollar, Australian dollar, Malaysian Ringgit and the Hong Kong dollar. To manage this exposure, the Group takes advantage of any natural offsets of the Group's foreign currency revenues and expenses and from time to time when appropriate, to enter into foreign currency forward contracts and/or option contracts for a portion of the remaining exposure relating to these forecasted transactions.

Interest rate risk

Majority of the Group's indebtedness and its related interest expenses are denominated in U.S. dollars and are based upon floating rates of interest. In order to limit its exposure to interest rate fluctuation, variable to fixed interest rate swaps have been utilised from time to time when appropriate, to fix a portion of interest costs over a period of time. The Group continuously evaluates its debt portfolio, including interest rate swaps to achieve a desired proportion of variable and fixed rate debt based on its review of interest rate movement.

Fuel price risk

The Group's exposure to market risk on changes in fuel prices relates to the consumption of fuel on its ships. The Group mitigates the financial impact of fluctuation in fuel prices by entering into fuel swap agreements. As at 31 December 2014, the Group had fuel swap agreements to pay fixed prices for fuel with a total outstanding notional amount of approximately US$35.5 million maturing December 2015.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Directors' Profiles

Executive Directors

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

Tan Sri Lim Kok Thay, aged 63, was appointed an Executive Director of the Company in September 1994. He is the Chairman and Chief Executive Officer of the Company, a member of the Remuneration Committee and the Nomination Committee and a director of a number of subsidiaries of the Company. He is a Director of Travellers International Hotel Group, Inc. ("Travellers"), a company listed on the Main Board of The Philippine Stock Exchange, Inc. and was also the Chairman of the Board of Directors of Norwegian Cruise Line Holdings Ltd. ("NCLH"), a company listed on the NASDAQ Global Select Market, since July 2011 until he resigned in March 2015. Travellers and NCLH are associates of the Company. Tan Sri Lim focuses on long-term policies and new shipbuildings. He has been with the Group since the formation of the Company in 1993.

Tan Sri Lim is the Executive Chairman of Genting Singapore PLC, a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited and a subsidiary of Genting Berhad ("GENT"); Chairman and Chief Executive of GENT, a company listed on the Main Market of Bursa Malaysia Securities Berhad; Chairman and Chief Executive of Genting Malaysia Berhad ("GENM"), a public listed company in Malaysia in which GENT holds 49.30% equity interest; and a director and Chief Executive of Genting Plantations Berhad, a public listed company in Malaysia and a subsidiary of GENT; Executive Chairman of Genting UK Plc, a public company and an indirect wholly-owned subsidiary of GENM; and a director of Sierra Springs Sdn Bhd, Resorts World Limited ("RWL"), Kien Huat Realty Sdn. Berhad ("KHR"), Kien Huat International Limited ("KHI"), Parkview Management Sdn Bhd, Golden Hope Limited, Joondalup Limited and Cove Investments Limited. GENT, GENM, Sierra Springs Sdn Bhd, RWL, KHR, KHI, Parkview Management Sdn Bhd (acting as trustee of a discretionary trust), Golden Hope Limited (acting as trustee of the Golden Hope Unit Trust), Joondalup Limited and Cove Investments Limited are substantial shareholders of the Company. GENT is an investment holding and management company and is principally involved, through its subsidiaries, in leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resort, plantation, the generation and supply of electric power, property development and management, tours and travel related services, investments, genomics research and development and oil and gas exploration and development activities.

In addition, Tan Sri Lim is a Founding Member and a Permanent Trustee of The Community Chest, Malaysia. He also sits on the Boards of Trustees of several charitable organisations in Malaysia. Tan Sri Lim is the father of Mr. Lim Keong Hui, the Executive Director – Chairman's Office and Chief Information Officer, and a substantial shareholder of the Company.

Tan Sri Lim graduated with a Bachelor of Science (Civil Engineering) degree from the University of London in 1975 and attended the Program for Management Development at the Harvard Graduate School of Business in 1979.

Directors' Profiles (Continued)

Executive Directors (Continued)

Mr. Lim Keong Hui
Executive Director – Chairman's Office and Chief Information Officer

Mr. Lim Keong Hui, aged 30, was appointed an Executive Director of the Company in June 2013. He is currently the Executive Director – Chairman's Office and Chief Information Officer of the Company and has served the Company for more than six years. He was the Senior Vice President – Business Development of the Company prior to his redesignation as the Executive Director – Chairman's Office following his appointment as an Executive Director of the Company. Mr. Lim has taken up additional role of Chief Information Officer of the Company since 1 December 2014. Mr. Lim is also a Non-Independent Executive Director, the Executive Director – Chairman's Office and Chief Information Officer of GENT, and a Non-Independent Executive Director and Chief Information Officer of GENM and Genting Plantations Berhad ("GENP"), all of which are listed on the Main Market of Bursa Malaysia Securities Berhad. GENP is a subsidiary of GENT which in turn holds 49.30% equity interest in GENM. Mr. Lim is also a director of KHR and KHI. GENT, GENM, KHR and KHI are substantial shareholders of the Company. GENT is an investment holding and management company and is principally involved, through its subsidiaries, in leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resort, plantation, the generation and supply of electric power, property development and management, tours and travel related services, investments, genomics research and development and oil and gas exploration and development activities.

Prior to joining the Company, Mr. Lim had embarked on an investment banking career with The Hongkong and Shanghai Banking Corporation Limited. He holds a Master's Degree in International Marketing Management from Regents Business School London and a Bachelor of Science (Honours) Degree in Computer Science from the Queen Mary and Westfield College, University of London. Mr. Lim is a son of Tan Sri Lim Kok Thay (the Chairman, an Executive Director and the Chief Executive Officer, and a substantial shareholder of the Company). He is also a member of the Board of Trustees of Yayasan Lim Goh Tong, a family foundation set up for charitable purposes.

Independent Non-executive Directors

Mr. Alan Howard Smith
Deputy Chairman

Mr. Alan Howard Smith, aged 71, has been an Independent Non-executive Director of the Company since August 2000 and is the Chairman of the Remuneration Committee and the Nomination Committee and a member of the Audit Committee of the Company. Mr. Smith was the Vice Chairman, Pacific Region, of Credit Suisse First Boston ("CSFB"), a leading global investment bank from 1997 until he retired in December 2001. Prior to joining CSFB, he was Chief Executive of the Jardine Fleming Group from 1983 to 1994 and was Chairman of the Jardine Fleming Group from 1994 to 1996. Mr. Smith has over 27 years of investment banking experience in Asia. He was elected a council member of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on two occasions. He was a member of the Hong Kong Special Administrative Region Government's Economic Advisory Committee, and was for 10 years a member of the Hong Kong Government's Standing Committee on Company Law Reform.

Mr. Smith graduated with an LL.B. (Honours) degree from Bristol University, England in 1964, and was admitted as a solicitor in England in 1967 and in Hong Kong in 1970. Mr. Smith is also a director of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) and Wheelock and Company Limited, which are listed on the Stock Exchange; and Noble Group Limited, which is listed on the Singapore Exchange Securities Trading Limited.

During the last three years, Mr. Smith had also served as a director of several other Hong Kong and overseas listed companies. He was a director of Crown International Corporation Limited (formerly known as VXL Capital Limited), which is listed on the Stock Exchange, during the period from April 2004 to May 2014; and Global Investment House (K.S.C.C.), which was listed on the Kuwait Stock Exchange and is listed on the Bahrain and London Stock Exchanges as well as the Dubai Financial Market, during the period from September 2007 to September 2012. Mr. Smith also acts as a director of IP All Seasons Asian Credit Fund (formerly known as Asian Credit Hedge Fund Ltd.), which had been listed on the Irish Stock Exchange but was voluntarily delisted in July 2012.

Directors' Profiles (Continued)

Independent Non-executive Directors (Continued)

Mr. Lam Wai Hon, Ambrose

Mr. Lam Wai Hon, Ambrose, aged 61, was appointed an Independent Non-executive Director of the Company in June 2013. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Lam is the Chief Executive Officer of Investec Capital Asia Limited (formerly known as Access Capital Limited of which Mr. Lam was a director and the co-founder prior to its acquisition by Investec Bank PLC in April 2011) and the Country Head for China & Hong Kong of Investec Group. Prior to establishing Access Capital Limited in 2000, Mr. Lam was the managing director and head of Investment Banking for Greater China of Deutsche Bank AG. He was also the managing director and head of Investment Banking for Greater China of Bankers Trust Company, and the managing director of Yuanta Securities (Hong Kong) Company Limited. Mr. Lam started his investment banking career with Kleinwort Benson Group in London in 1984 before joining Standard Chartered Asia Limited in Hong Kong where he held the position of managing director in corporate finance.

Mr. Lam is also an Independent Non-executive Director of China Agri-Industries Holdings Limited, which is listed on the Stock Exchange.

Mr. Lam is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Arts (Honours) degree in Economics & Accounting from University of Newcastle Upon Tyne in England.

Non-executive Director

Mr. Justin Tan Wah Joo

Mr. Justin Tan Wah Joo, aged 64, was appointed a Non-executive Director of the Company in August 2014. He has extensive experience in corporate finance and management especially in leisure and hospitality business. He had also served on the boards of a number of listed and public companies. Mr. Tan had been a Non-Executive Director of GENS from November 1991 to October 2000 and was appointed as its Managing Director from November 2000 to February 2010. Mr. Tan was previously a Non-Independent Non-Executive Director of GENM from September 2005 to December 2005 (prior to that, he held the position of Executive Director from April 1999 up to August 2005). GENS is a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited since December 2005 (GENS had also been listed on the Luxembourg Stock Exchange from April 1990 until March 2007 following its application for de-listing). GENM is a public company listed on the Main Market of Bursa Malaysia Securities Berhad since December 1989. GENS and GENM are subsidiaries of GENT; and GENT and GENM are substantial shareholders of the Company. Mr. Tan was also a director of Genting UK Plc from October 2006 to May 2010. He was the President of Resorts World Inc Pte. Ltd. from February 2010 until he retired in April 2013.

Mr. Tan was awarded with a Bachelor of Economics (Honours) degree from the University of Malaya in 1973 and is a Fellow of the Australian Society of Certified Practising Accountants and an Associate Member of the Chartered Institute of Management Accountants, United Kingdom.

Senior Management Profiles

Mr. Blondel So King Tak

Executive Vice President (Corporate Services) and Country Head of Hong Kong & Macau

Mr. Blondel So King Tak, aged 54, joined the Company in July 2007 as Chief Financial Officer until September 2009 and was appointed as Chief Operating Officer of the Company in October 2009. In August 2014, Mr. So has been appointed as Executive Vice President (Corporate Services) and Country Head of Hong Kong & Macau. He also acts as a director of various subsidiaries of the Company. He has over 23 years of experience in the financial sector with the first 15 years in the banking industry. Prior to joining the Company, he has held a number of senior positions in multinational corporations and listed companies. He holds a Bachelor degree in Mathematics from Simon Fraser University, Canada and a Master degree in Corporate Finance from Hong Kong Polytechnic University.

Ms. Tan Wei Tze

Executive Vice President (Financial Services) and Chief Financial Officer

Ms. Tan Wei Tze, aged 42, joined the Company in March 2009 as Senior Vice President of Corporate Finance/Finance until September 2009 and has been appointed Chief Financial Officer since October 2009. She assumed the position of Executive Vice President (Financial Services) and Chief Financial Officer in August 2014. Prior to joining the Company, she held positions in financial advisory, corporate finance, investment banking and asset management institutions in Hong Kong and Malaysia. She started her career with PricewaterhouseCoopers in the United Kingdom and thereafter joined NM Rothschild & Sons in Hong Kong as a Utilities & Natural Resources banker. Ms. Tan graduated with an Accounting degree from the University of Hull, United Kingdom and is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Hong Kong Institute of Certified Public Accountants.

Mr. Michael Geoffrey Johansen

Executive Vice President Casino Operations and Country Head of Korea

Mr. Michael Geoffrey Johansen, aged 55, joined the Company as Executive Vice President of Casino Marketing in January 2010 and assumed the position of Executive Vice President Casino Operations and Country Head of Korea in August 2014. In this role, Mr. Johansen is responsible for Casino Operations, Surveillance, Membership and Casino Marketing. Prior to joining the Company, he held senior casino marketing related positions with Crown Limited based in both Macau and Australia, Conrad International, Harrah's and the Venetian Las Vegas, Foxwoods Connecticut and Resorts World Genting (formerly known as Genting Highlands Resort) and Casino Malaysia. Mr. Johansen entered the casino industry as a croupier in 1977 and worked in casino operations until 1985 when he moved into VIP Casino Marketing.

Mr. Michael Alexander Hackman

Executive Vice President (Marine Operations & New Ship Building) and Country Head of The Philippines and Australia

Mr. Michael Alexander Hackman, aged 56, joined the Company in February 2012 as Senior Vice President, Philippine Operation. In his current role, he is responsible for the Marine Operations, including New Ship Building projects and the support functions of Port Operations, Crewing Operations and Security. He is also Country Head for the Philippines where the Company has significant investments, substantial back office support facilities and its training academy. He also acts as a director of various subsidiaries of the Company. He has over 35 years' experience in the gaming and cruise industries, and was in the opening team for the Genting-managed Adelaide Casino and Burswood Resort properties in Australia in the 1980's.

Mr. Hackman holds a Masters degree in Politics and Public Policy from Macquarie University, and a Graduate Diploma in Management from the Australian Graduate School of Management at the University of New South Wales. He is also a Fellow of the Australian Institute of Company Directors.

Senior Management Profiles (Continued)

Mr. Ang Moo Lim

Executive Vice President (Sales, Marketing & Hotels) and Country Head of China, Taiwan, Singapore, Malaysia, Indonesia & Indo China

Mr. Ang Moo Lim, aged 40, assumed the position of Executive Vice President of Sales, Marketing and Hotels, and the Country Head for China, Taiwan, Singapore, Malaysia, Indonesia and Indo China in August 2014. He currently oversees the cruising experience from pre-cruise, onboard through post-cruise, as well as the Company's shore ventures in China including Genting World, the boutique ski club house of Secret Garden, and Genting Star, a budget hotel chain. Mr. Ang joined the Company in May 1999, and has over the years assumed responsibilities in Finance, Corporate Planning and Investor Relations, before transferring to China in September 2008 as the Vice President of China Operations. He also holds the positions of legal representative and director for a number of subsidiaries of the Company. Mr. Ang holds a Master degree in Business Administration from Universiti Putra Malaysia, and a Bachelor degree in Economic Statistics from Universiti Kebangsaan Malaysia.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2014.

Principal Activities and Geographical Analysis of Operations

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. Details of the Company's principal subsidiaries are set out in note 38 to the consolidated financial statements.

As the Group is principally engaged in the operation of passenger cruise ships in Asia Pacific, no geographical analysis of financial information for the year ended 31 December 2014 has been provided.

Results

The results of the Company and its subsidiaries for the year ended 31 December 2014 are set out in the consolidated statement of comprehensive income on pages 93 and 94.

Dividends

The Board of Directors has recommended a final dividend of US$0.01 per ordinary share for 2014, which will be payable subject to shareholders' approval at the 2015 Annual General Meeting of the Company.

Reserves

Movements in the reserves of the Company and the Group during the year are set out on pages 102 to 105.

Audited Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 174.

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 2014, save for (i) the issuance by the Company of 2,905,998 new ordinary shares of US$0.10 each in the Company at an aggregate price of approximately HK$4,798,585 pursuant to the exercise of options granted under the share option scheme adopted by the Company on 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002); and (ii) the redemption of all of the outstanding RMB1,380,000,000 3.95% Bonds (the "RMB Bonds") by the Company in full amounted to RMB1,407.2 million (including principal and accrued interest) upon their maturity on 30 June 2014 in accordance with the terms and conditions of the RMB Bonds.

Donations

Charitable and other donations made by the Group during the year amounted to US$0.1 million.

Property, Plant and Equipment

A brief description of the properties owned by the Group as at 31 December 2014 is set out on page 175.

Details of the movements in property, plant and equipment during the year are set out in note 14 to the consolidated financial statements.

Share Capital, Convertible Bonds and RMB1,380,000,000 3.95% Bonds

Details of the movements in share capital, convertible bonds and RMB1,380,000,000 3.95% Bonds of the Company are set out in notes 27, 29 and 30 to the consolidated financial statements, respectively.

Indebtedness

Details of long-term financing facilities of the Company and its subsidiaries as at 31 December 2014 are set out in note 28 to the consolidated financial statements.

Directors

The Directors during the year and up to the date of this report are:

Tan Sri Lim Kok Thay
Mr. Alan Howard Smith
Mr. Heah Sieu Lay *(resigned on 3 February 2015)*
Mr. Lam Wai Hon, Ambrose
Mr. Lim Keong Hui
Mr. Justin Tan Wah Joo *(appointed on 22 August 2014 at the Board Meeting of the Company held on the same day)*

In accordance with Bye-law 99 of the Company's Bye-laws, Mr. Alan Howard Smith and Mr. Lim Keong Hui will retire by rotation at the forthcoming Annual General Meeting whereas Mr. Justin Tan Wah Joo who was appointed during the year will, in accordance with Bye-law 102(B) of the Company's Bye-laws, hold office until the forthcoming Annual General Meeting and will then be eligible for re-election at such meeting. The retiring Directors, being eligible, will offer themselves for re-election.

The Company has received from each of the two current Independent Non-executive Directors (namely Mr. Alan Howard Smith and Mr. Lam Wai Hon, Ambrose) and the former Independent Non-executive Director (namely Mr. Heah Sieu Lay who resigned on 3 February 2015) an annual confirmation of his independence and considers that each of the Independent Non-executive Directors ("INEDs") is independent in accordance with the guidelines set out in Rules 3.13(a) and (c) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers that all INEDs meet the independence guidelines set out in the Listing Rules and are independent in accordance therewith.

Biographical details of the Directors and senior management are set out on pages 35 to 39.

Directors' Service Contracts

None of the Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Interests of Directors and Controlling Shareholders in Contracts of Significance

Save as disclosed in the section headed "Connected Transactions" below and in the section headed "Significant Related Party Transactions and Balances" in note 35 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which any of the Company's Director or controlling shareholder or its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected Transactions

(a) Significant related party transactions entered into by the Group during the year ended 31 December 2014 are disclosed in note 35 to the consolidated financial statements.

(b) Transactions set out in items (a), (b), (c), (g), (h) and (z) of these related party transactions constitute continuing connected transactions under the Listing Rules, details of which are required to be disclosed in this annual report in accordance with the Listing Rules are given below:

    (1) The Company entered into agreements on 20 December 2010 all for a period of 3 years commencing from 1 January 2011 with Genting Management and Consultancy Services Sdn Bhd ("GMC") (a wholly-owned subsidiary of Genting Berhad ("GENT")), Genting Malaysia Berhad ("GENM") and Genting Singapore PLC ("GENS") separately in relation to the provision to relevant members of the Group as and when required from time to time of secretarial, share registration, investor and other related services by GMC (the "GENT-GENHK Services Agreement"); air ticket purchasing, leasing of office space, travel and other related services by relevant members of the GENM group (the "GENM-GENHK Services Agreement"); and information technology and implementation, support and maintenance services, and other services in relation to information technology support and central reservation services by relevant members of the GENS group (the "GENS-GENHK Services Agreement") respectively.

Connected Transactions (Continued)

The Company had entered into a supplemental agreement with GENM on 31 October 2011 (the "First GENM-GENHK Supplemental Agreement") to amend the GENM-GENHK Services Agreement (together with the First GENM-GENHK Supplemental Agreement, the "First Amended GENM-GENHK Services Agreement") for the purpose of expanding the scope of services to include information technology services.

To allow for the provision of leasing services as well as other administrative and support services by the GENS group to the Group as might be required by the Group from time to time, the Company had entered into a supplemental agreement with GENS on 30 March 2012 (the "First GENS-GENHK Supplemental Agreement") to amend the GENS-GENHK Services Agreement (together with the First GENS-GENHK Supplemental Agreement, the "First Amended GENS-GENHK Services Agreement") for the purpose of expanding the scope of services.

In view of the expiry of the GENT-GENHK Services Agreement, the First Amended GENM-GENHK Services Agreement and the First Amended GENS-GENHK Services Agreement on 31 December 2013, the parties entered into supplemental agreements on 23 December 2013 separately to extend the term of the respective agreements (together with such supplemental agreements, the "First Amended GENT-GENHK Services Agreement", the "Second Amended GENM-GENHK Services Agreement" and the "Second Amended GENS-GENHK Services Agreement" respectively) for a further fixed term of 3 years commencing from 1 January 2014.

Transactions under the First Amended GENT-GENHK Services Agreement, the Second Amended GENM-GENHK Services Agreement and the Second Amended GENS-GENHK Services Agreement are collectively referred to as the "GENT/GENM/GENS (Payable) Transactions".

The pricing policies and guidelines for the above transactions have been determined as follows:

Nature of transactions	Pricing policies and guidelines
Secretarial, share registration, investor and other related services	The service fees were based on the total direct and indirect costs incurred to perform the services and included an arm's length mark-up of a fixed percentage on total costs. Such rate was comparable with, or no less favourable than, that of independent third party providers of the same or similar services.
Air ticket purchasing, travel and other related services	Cost plus fixed rate of mark-up over corporate rates or net contractual rates offered by third party airlines or travel agents. Total price of each of the services was either comparable with, or no less favourable than, the equivalent price available from independent third party suppliers of the same services.
Limousine services	Charges based on number of hours, destination and vehicle type, and was comparable with, or no less favourable than, that of independent third party service providers.
Office leasing, administrative and support	Fixed rate of monthly rental per lease contract and cost plus fixed rate of mark-up for the administrative and support services. Prices were comparable with, or no less favourable than, that of independent third party landlords in the area and service providers of the same services.
Information technology and implementation, support and maintenance services, and other services in relation to information technology support and central reservation services	The readily available softwares were developed specifically for hotel and casino operation and synchronised with our operational systems. It was charged by cost with a fixed rate of mark-up charged for the software and man-hours spent in providing the services, the rates were comparable with, or no less favourable than terms available from independent third parties providing similar services.

Connected Transactions (Continued)

GENT is a company listed on the Main Market of Bursa Malaysia Securities Berhad and in which each of Tan Sri Lim Kok Thay (the Chairman, Executive Director and Chief Executive Officer and a substantial shareholder of the Company) and Mr. Lim Keong Hui (an Executive Director, Executive Director – Chairman's Office and Chief Information Officer and a substantial shareholder of the Company) has a deemed interest. Tan Sri Lim Kok Thay is also the Chairman and Chief Executive and a shareholder of GENT. GENM is a company listed on the Main Market of Bursa Malaysia Securities Berhad and GENS is a company listed on the Main Board of the Singapore Exchange Securities Trading Limited. As at the date of this report, GENT held approximately 49.30% and 52.55% equity interests in GENM and GENS respectively while GENM held approximately 17.81% equity interest in the Company. Apart from its deemed interest in the Company through GENM, GENT also held approximately 0.25% equity interest in the Company through a wholly-owned subsidiary. Tan Sri Lim Kok Thay is also the Chairman and Chief Executive and a shareholder of GENM and the Executive Chairman and a shareholder of GENS. Mr. Lim Keong Hui is also a Non-Independent Executive Director, the Executive Director – Chairman's Office and Chief Information Officer of GENT, and a Non-Independent Executive Director and Chief Information Officer of GENM.

The maximum aggregate annual consideration (the "Annual Cap") for the transactions contemplated under the First Amended GENT-GENHK Services Agreement, the Second Amended GENM-GENHK Services Agreement and the Second Amended GENS-GENHK Services Agreement respectively for each of the 3 financial years ended/ending 31 December 2014, 2015 and 2016 was/is expected to be as follows:

	For the year ended/ending 31 December		
	2014 US$	2015 US$	2016 US$
Annual amounts paid/payable by the Group under the First Amended GENT-GENHK Services Agreement	0.5 million	0.5 million	0.5 million
Annual amounts paid/payable by the Group under the Second Amended GENM-GENHK Services Agreement	6 million	7 million	8 million
Annual amounts paid/payable by the Group under the Second Amended GENS-GENHK Services Agreement	2 million	2 million	2 million

For the year ended 31 December 2014, the aggregate amount paid/payable by the Group in respect of the transactions contemplated under the First Amended GENT-GENHK Services Agreement, the Second Amended GENM-GENHK Services Agreement and the Second Amended GENS-GENHK Services Agreement was approximately US$0.01 million, US$1.5 million and US$0.04 million respectively and has not exceeded the Annual Cap of US$0.5 million, US$6 million and US$2 million respectively.

(2) The Company entered into two agreements on 31 March 2011 both for a period of 3 years commencing from 1 January 2011 with GENM and GENS separately in relation to the provision by the Group of leasing of office space and equipment, tourism consultancy and other related services and administrative services to the GENM group as and when required from time to time (the "GENHK-GENM Services Agreement"); and air ticket purchasing, travel related services, administrative services including human resources and payroll related services, leasing of office space and equipment and other related services to the GENS group as and when required from time to time (the "GENHK-GENS Services Agreement") respectively.

In view of the expiry of the GENHK-GENM Services Agreement and the GENHK-GENS Services Agreement on 31 December 2013, the parties entered into supplemental agreements on 23 December 2013 separately to extend the term of the respective agreements (together with such supplemental agreements, the "Amended GENHK-GENM Services Agreement" and the "Amended GENHK-GENS Services Agreement" respectively) for a further fixed term of 3 years commencing from 1 January 2014.

Connected Transactions (Continued)

Transactions under the Amended GENHK-GENM Services Agreement and the Amended GENHK-GENS Services Agreement are collectively referred to as the "GENM/GENS (Receivable) Transactions".

The pricing policies and guidelines for the above transactions have been determined as follows:

Nature of transactions	Pricing policies and guidelines
Tourism consultancy and other related services	Fixed price referenced to the cost per work station and was comparable with or no less favourable than, that charged to independent third parties.
Air ticket purchasing, travel related services, administrative services	Cost plus a fixed rate of mark-up, comparable with, or no more favourable to, the pricing applied to independent third party customers.

The Annual Cap for the transactions contemplated under the Amended GENHK-GENM Services Agreement and the Amended GENHK-GENS Services Agreement respectively for each of the 3 financial years ended/ending 31 December 2014, 2015 and 2016 was/is expected to be as follows:

	For the year ended/ending 31 December		
	2014 US$	2015 US$	2016 US$
Annual amounts received/receivable by the Group under the Amended GENHK-GENM Services Agreement	1.5 million	1.5 million	1.5 million
Annual amounts received/receivable by the Group under the Amended GENHK-GENS Services Agreement	4 million	4 million	4 million

For the year ended 31 December 2014, the aggregate amount received/receivable by the Group in respect of the transactions contemplated under the Amended GENHK-GENM Services Agreement and the Amended GENHK-GENS Services Agreement was approximately US$0.04 million and US$0.2 million respectively and has not exceeded the Annual Cap of US$1.5 million and US$4 million respectively.

(3) As announced in the Company's announcement dated 31 December 2013:

(i) pursuant to the joint promotion and marketing agreement dated 19 January 2004 entered into between GENM and Star Cruise Management Limited ("SCM") as amended and supplemented by the addendum 1, the supplemental agreement and the second supplemental agreement (collectively, the "JPM Agreement"), GENM and Genting WorldCard Services Sdn Bhd ("GWCSSB"), being members of the GENM group, and SCM and Star Cruise (C) Limited ("SC (C)"), being members of the Group, have agreed to engage in certain joint promotion and marketing programmes to be implemented from time to time for the joint promotion of their respective businesses;

(ii) the customer loyalty programme known as "WorldCard" ("WC Programme") has been operated and managed by the GENM group in Malaysia and by the WCIL (as defined below) group in countries and territories outside Malaysia. There are transactions between the GENM group and the WCIL group in the cross-territory operation of the WC Programme under the inter-operator agreement dated 25 October 2004 as supplemented by supplemental agreements I, II and III (collectively, the "Inter-Operator Agreement") between GWCSSB and WorldCard Services Sdn Bhd ("WCSSB"), both being members of the GENM group, and WCI Management Limited ("WCIM"), being member of the WCIL group; and

(iii) in view of the expiry of the JPM Agreement and the Inter-Operator Agreement on 31 December 2013, the Group and the GENM group entered into supplemental agreements (the "JPM Third Supplemental Agreement" and the "Inter-Operator Supplemental Agreement IV") on 31 December 2013 to renew the JPM Agreement and the Inter-Operator Agreement and the continuing connected transactions thereunder for a further period of 3 years from 1 January 2014 to 31 December 2016.

Connected Transactions (Continued)

Transactions under the JPM Agreement (as supplemented by the JPM Third Supplemental Agreement and by any future addenda which may be entered into from time to time) and the Inter-Operator Agreement (as supplemented by the Inter-Operator Supplemental Agreement IV) are collectively referred to as the "JPM/WC Transactions".

The pricing policies and guidelines for the above transactions have been determined as follows:

Nature of transactions	Pricing policies and guidelines
Share of costs and expenses incurred in the joint promotion and marketing programmes	Share of actual utilisation rates on case to case basis and included bases such as floor usage ratio, turnover ratio, number of personnel used or provided by each party and marketing materials expenses. Pricing terms were comparable with or no less favourable than, terms applied by independent third parties for similar transaction in the retail or hospitality industry.
Amount payable for membership loyalty points awarded by the Group to GENM group members and amount receivable for membership loyalty points awarded by GENM group to the Group members in the retail or hospitality transactions	The points to monetary value conversion rate was a fixed percentage on the retail price of the transactions available to independent third party customers, taken into account of foreign exchange rates as agreed between the parties annually, such rates were comparable with or no less favourable than, that applied by independent third parties for similar transaction in the retail or hospitality industry.
Amount payable for product(s) and/or service(s) redeemed by Group members at the GENM outlet and amount receivable for product(s) and/or service(s) redeemed by GENM members at the Group outlet	The amounts payable and receivable were the retail price of the transactions available to independent third party customers applying the applicable foreign exchange rates as agreed between the parties annually, such computation was comparable with or no less favourable than, that applied by independent third parties for similar transaction in the retail or hospitality industry.

SCM and SC (C) are wholly-owned subsidiaries of the Company. WorldCard International Limited ("WCIL") is currently a wholly-owned subsidiary of SC (C) subsequent to the completion of the acquisition of the WCIL group by SC (C) on 31 December 2013. WCIM is a wholly-owned subsidiary of WCIL. GWCSSB and WCSSB are wholly-owned subsidiaries of GENM.

The Annual Cap for the aggregate amounts paid/payable and the aggregate amounts received/receivable by the Group under the terms of the JPM Agreement (as supplemented by the JPM Third Supplemental Agreement and by any future addenda which may be entered into from time to time) and the Inter-Operator Agreement (as supplemented by the Inter-Operator Supplemental Agreement IV) for each of the financial years ended/ending 31 December 2014, 2015 and 2016 was/is expected to be as follows:

	For the year ended/ending 31 December		
	2014 US$	2015 US$	2016 US$
Annual amounts paid/payable by the Group under the JPM/WC Transactions	5 million	5 million	5 million
Annual amounts received/receivable by the Group under the JPM/WC Transactions	5 million	6 million	7 million

For the year ended 31 December 2014, (i) the aggregate amount paid/payable by the Group in respect of the JPM/WC Transactions was approximately US$0.2 million and has not exceeded the Annual Cap of US$5 million and (ii) the aggregate amount received/receivable by the Group in respect of the JPM/WC Transactions was approximately US$1.1 million and has not exceeded the Annual Cap of US$5 million.

Connected Transactions (Continued)

(4) On 21 January 2010, Crystal Aim Limited ("CAL") entered into a services agreement (the "RWS Services Agreement") with Resorts World at Sentosa Pte. Ltd. ("RWS") in relation to the provision of certain services by CAL in respect of an integrated resort located at Sentosa, Singapore known as Resorts World Sentosa owned and operated by RWS, including but not limited to handling of English speaking inbound and outbound operation administration calls and provision of any reservations and booking services of tour packages, hotel rooms and any tickets for local and overseas customers of RWS, and handling of all amendment and cancellation related activities of any reservations and booking services (the "RWS Transactions").

The pricing policies and guidelines for the above transaction have been determined as follows:

Nature of transaction	Pricing policies and guidelines
Call centre service	Fixed fee based on actual operating costs plus fixed rate of mark-up, such total price being comparable to, or no less favourable than, average industry rates as per market research conducted by the Contact Centre Association of the Philippines.

CAL is a wholly-owned subsidiary of the Company and RWS is a wholly-owned subsidiary of GENS.

In view of the expiry of the RWS Services Agreement (as amended by the first supplemental agreement dated 29 December 2011 (the "First Supplemental Agreement")) on 31 December 2012, the Company entered into a second supplemental agreement with RWS on 31 December 2012 (the "Second Supplemental Agreement") to renew the RWS Services Agreement (as amended by the First Supplemental Agreement) and continuing connected transactions thereunder for a further period of 3 years from 1 January 2013 to 31 December 2015.

The Annual Cap for the transactions contemplated under the RWS Services Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) for each of the three financial years ended/ending 31 December 2013, 2014 and 2015 would/will not exceed US$4 million, US$5 million and US$5 million respectively.

For the year ended 31 December 2014, the aggregate amount received/receivable by CAL in respect of the RWS Transactions was approximately US$1.4 million and has not exceeded the Annual Cap of US$5 million.

(5) On 2 November 2011, Star Cruises China Holdings Limited ("SCCH") entered into a hotel pre-opening technical services agreement (the "Technical Services Agreement") with 3rd Valley (Zhang Jia Kou) Resort Corporation ("3rd Valley") in respect of the provision of consultancy services by SCCH for the development, construction and completion of a first class international hotel (the "Hotel") to be constructed in Zhang Jia Kou City, Hebei Province, the People's Republic of China for total service fees of RMB2,866,300 (equivalent to approximately US$463,000) during the term of the Technical Services Agreement. The term of the Technical Services Agreement is from the date of the agreement until 3 months after the Hotel commences to earn revenue or income from its operation. The Hotel had its official opening in June 2013. The last payment of consultancy fee of RMB573,260 (equivalent to approximately US$94,000) was charged by SCCH to 3rd Valley in December 2013.

On 16 April 2012, SCCH entered into a hotel management agreement (the "Hotel Management Agreement") with 3rd Valley in respect of the provision of management services and other services (including reservation and if required, marketing services) by SCCH for the Hotel. The Hotel Management Agreement has an initial term of 10 years commencing from 16 April 2012 and, subject to mutual agreement of the parties, may be renewed on the same terms and conditions for 3 successive periods of 5 years each.

Transactions under the Hotel Management Agreement are referred to as the "3rd Valley (Receivable) Transactions".

The pricing policies and guidelines for the above transaction have been determined as follows:

Nature of transaction	Pricing policies and guidelines
Hotel management and other operating services	Fixed rate as a percentage of revenue and profit after commercial negotiation, with reference to, and comparable with, the rates charged by independent third parties providing similar services in the industry in the People's Republic of China.

Connected Transactions (Continued)

SCCH is an indirect wholly-owned subsidiary of the Company. 3rd Valley is a company in which Golden Hope Limited ("Golden Hope") as trustee of the Golden Hope Unit Trust ("GHUT")) has 30% indirect equity interest and Datuk Lim Chee Wah (a brother of Tan Sri Lim Kok Thay) has 44.9% indirect equity interest. Golden Hope as trustee of the GHUT is a substantial shareholder of the Company.

To comply with the Listing Rules, an independent financial adviser ("IFA-1") has been appointed to advise the Board in respect of the duration of the Hotel Management Agreement which is longer than three years. Taking into account the factors as set out in the Company's announcement dated 16 April 2012, the IFA-1 considered that it is normal business practice for contracts of similar nature to the Hotel Management Agreement with the duration of more than three years and that the duration of the Hotel Management Agreement is in line with normal business practice for contracts of similar nature.

On 15 May 2013, a deed of assignment was executed between SCCH and Guangzhou Liyunhui Consulting and Management Services Limited ("GLCM", an indirect wholly-owned subsidiary of the Company) pursuant to which SCCH has assigned all its rights and obligations under the Hotel Management Agreement with 3rd Valley to GLCM.

The Annual Cap of the service fees received/receivable by SCCH and GLCM (as the case may be) under the Hotel Management Agreement (in aggregate with the service fees received/receivable by SCCH under the Technical Services Agreement) for each of the three financial years ended 31 December 2014 was expected to be US$1.5 million.

For the year ended 31 December 2014, the aggregate amount received/receivable by GLCM in respect of the 3rd Valley (Receivable) Transactions was approximately US$0.04 million and has not exceeded the Annual Cap of US$1.5 million.

Subsequently, as announced in the Company's announcement dated 13 March 2015, a termination agreement was entered into on the same day between GLCM and 3rd Valley whereby the Hotel Management Agreement was terminated with effect from 13 March 2015 in consideration of the payment of the outstanding amount due and payable by 3rd Valley to the Group under the said agreement.

(6) On 30 December 2013, Dynamic Merits Limited ("Dynamic Merits"), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement (the "Cooperation Agreement") with 3rd Valley in respect of the provision by 3rd Valley of certain consultancy services and maintenance services, and grant of certain access rights, in respect of the development of Genting World and Genting Residences by the Group, and grant of the right to use all ski-related facilities at the Genting Resort, Secret Garden ("Secret Garden"), for an aggregate consideration of RMB20,000,000 (equivalent to approximately US$3.3 million) (the "3rd Valley (Payable) Transactions"). Secret Garden is located at Chongli County, Zhang Jia Kou City, Hebei Province, the People's Republic of China.

The pricing policies and guidelines for the above transaction have been determined after taking into account the tight time schedule required to obtain the relevant titles, approvals and licenses for the land use rights, the continued commitment to develop and maintain public utilities and infrastructure of Secret Garden, as well as the enhanced value of the usage of the facilities at Secret Garden in relation to the ski apartment holders (no less favourable than prices of ski pass of surrounding areas operated by independent third parties).

The durations of the Maintenance Services and Access Rights and each of the other services as set out in the Cooperation Agreement are 70 years and 3 years respectively, and the details of the durations of these services are more specifically defined and provided in the Cooperation Agreement. Genting World and Genting Residences are properties located and/or to be developed and constructed at Secret Garden, Chongli County, Zhang Jia Kou City, Hebei Province, the People's Republic of China.

To comply with the Listing Rules, an independent financial adviser ("IFA-2") has been appointed to advise the Board in respect of the duration of the Maintenance Services and Access Rights in the Cooperation Agreement which is longer than three years. Taking into account the factors as set out in the Company's announcement dated 30 December 2013, the IFA-2 is of the view that a term of longer than 3 years is required for the Maintenance Services and Access Rights in the Cooperation Agreement. In addition, in the context of the development of Genting Residences and Genting World, the IFA-2 considered that it is normal business practice for service of this type to be of such duration.

For the year ended 31 December 2014, the aggregate amount paid/payable to 3rd Valley in respect of the 3rd Valley (Payable) Transactions was Nil. From the date of the Cooperation Agreement until 31 December 2014, the aggregate amount paid/payable to 3rd Valley in respect of the 3rd Valley (Payable) Transactions was approximately US$1,653,000 and has not exceeded the aggregate consideration of RMB20,000,000 (equivalent to approximately US$3.3 million) as mentioned in the Cooperation Agreement.

Connected Transactions (Continued)

The Audit Committee comprising all Independent Non-executive Directors of the Company has reviewed the GENT/GENM/GENS (Payable) Transactions, the GENM/GENS (Receivable) Transactions, the JPM/WC Transactions, the RWS Transactions, the 3rd Valley (Receivable) Transactions and the 3rd Valley (Payable) Transactions (collectively, the "Non-exempt Continuing Connected Transactions") and confirmed that the Non-exempt Continuing Connected Transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's Non-exempt Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued the unqualified letter containing the findings and conclusions in respect of the Non-exempt Continuing Connected Transactions disclosed by the Group on pages 41 to 47 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

(c) Transactions set out in items (aa) and (gg) of these related party transactions, which constitute connected transactions under the Listing Rules, details of which as required to be disclosed in this annual report in accordance with the Listing Rules are given in notes 35(aa) and (gg) to the consolidated financial statements.

(d) Transactions set out in items (e), (f), (i), (k), (l), (m), (s), (dd) and (ee) of these related party transactions, which also constitute continuing connected transactions under the Listing Rules, are exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as these transactions were entered into on normal commercial terms or better and the respective aggregate annual consideration under these continuing connected transactions for the year ended 31 December 2014 is less than the relevant de minimis threshold of 0.1% of the applicable percentage ratios (as prescribed in the applicable Listing Rules).

(e) Transaction relating to the entering into of tenancy agreement between Treasure Island Entertainment Complex Limited ("TIECL", an indirect 75% subsidiary of the Company in which Mr. Kwan Yany Yan Chi ("Mr. Kwan") is a director and an indirect substantial shareholder) and Clever Create Limited (a company in which Mr. Kwan and his wife have an interest) for the lease of office premises in Macau as set out in item (d) of these related party transactions, which also constitutes continuing connected transaction under the Listing Rules, is exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.33(3) as contained in Chapter 14A of the Listing Rules (which Rule was in force until 30 June 2014) as this transaction was entered into on normal commercial terms and the aggregate annual consideration thereunder for the year ended 31 December 2014 is less than the relevant de minimis threshold of 1% of the applicable percentage ratios (as prescribed in the Listing Rules). Since the revised Chapter 14A of the Listing Rules became effective from 1 July 2014, this transaction no longer constituted continuing connected transaction of the Company as TIECL is an insignificant subsidiary of the Company pursuant to Rule 14A.09 under Chapter 14A of the Listing Rules (effective from 1 July 2014) and director or substantial shareholder of TIECL does not fall within the definition of connected person under the Listing Rules.

(f) Transactions relating to the provision of financial assistance by World Arena Corporation and Silverland Concept Corporation (both are indirect substantial shareholders of TIECL) to TIECL as set out in items (t) and (cc) of these related party transactions, which also constitute continuing connected transactions under the Listing Rules, are exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.65(4) as contained in Chapter 14A of the Listing Rules (which Rule was in force until 30 June 2014) as the subject financial assistance was provided to TIECL on normal commercial terms where no security over the assets of the Group was granted in respect of such financial assistance. These transactions no longer constituted continuing connected transactions of the Company since 1 July 2014 as TIECL is an insignificant subsidiary of the Company pursuant to Rule 14A.09 under Chapter 14A of the Listing Rules (effective from 1 July 2014) and substantial shareholders of TIECL do not fall within the definition of connected persons under the Listing Rules.

Connected Transactions (Continued)

(g) Other related party transactions entered into by the Group during the year ended 31 December 2014 as set out in note 35 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Directors' Interests in Competing Business

Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer of the Company, is the Chairman and Chief Executive, a shareholder and a warrant holder of Genting Berhad ("GENT") as well as the Chairman and Chief Executive and a shareholder of Genting Malaysia Berhad ("GENM"). GENT and GENM are substantial shareholders of the Company and both are listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the Executive Chairman, a shareholder, a share option holder and a holder of the rights to participate in the performance shares of Genting Singapore PLC ("GENS"), a company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

Mr. Lim Keong Hui, an Executive Director, the Executive Director – Chairman's Office and Chief Information Officer of the Company, is also a Non-Independent Executive Director, the Executive Director – Chairman's Office and Chief Information Officer of GENT, and the Non-Independent Executive Director and Chief Information Officer of GENM.

GENM is involved in a tourist resort business at Resorts World Genting and its principal activities cover leisure and hospitality services, which comprise gaming, hotel, entertainment and amusement. The principal activities of GENM's subsidiaries include operation of casinos, property development and management, leisure and hospitality services, investments, timeshare ownership scheme, tours and travel related services, provision of sales and marketing services and information technology related services. GENS group's principal activities include the development and operation of integrated resorts, operation of casinos, provision of sales and marketing support services to leisure and hospitality related businesses and investments. As at the date of this report, GENT held approximately 49.30% and 52.55% equity interests in GENM and GENS respectively.

The Group is principally engaged in the business of cruise and cruise-related operations and leisure, entertainment and hospitality activities.

Tan Sri Lim Kok Thay and Mr. Lim Keong Hui are therefore considered as having interests in business (the "Deemed Competing Business") apart from the Group's business, which may compete indirectly with the Group's business under paragraph 8.10 of the Listing Rules. The Company's management team is separate and independent from GENT, GENM and GENS. Coupled with the appointment of three Non-executive Directors (including two Independent Non-executive Directors) to the Board, the Group is capable of carrying on its business independent of and at arm's length from the Deemed Competing Business.

Interests of Directors

As at 31 December 2014, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") and in accordance with information received by the Company were as follows:

(A) Interests in the shares of the Company

	Nature of interests/capacity in which such interests were held					
Name of Director	**Beneficial owner**	**Interests of spouse**	**Interests of controlled corporation**	**Founder/ Beneficiary of discretionary trusts**	**Total**	**Percentage of issued ordinary shares**
	Number of ordinary shares *(Notes)*					
Tan Sri Lim Kok Thay	368,643,353	36,298,108 *(1)*	2,034,082,196 *(2)*	5,456,942,124 *(3) and (4)*	6,408,512,493 *(5)*	79.74
Mr. Lim Keong Hui *(6)*	—	—	—	5,456,942,124 *(3) and (4)*	5,456,942,124	67.90
Mr. Justin Tan Wah Joo	968,697 *(7)*	968,697 *(7)*	—	—	968,697 *(5)*	0.01

Notes:

As at 31 December 2014:

(1) Tan Sri Lim Kok Thay had a family interest in the same block of 36,298,108 ordinary shares directly held by Goldsfine Investments Ltd. ("Goldsfine") in which his wife, Puan Sri Wong Hon Yee had a corporate interest.

(2) Tan Sri Lim Kok Thay was also deemed to have a corporate interest in 2,034,082,196 ordinary shares (comprising (i) the same block of 36,298,108 ordinary shares directly held by Goldsfine in which each of Tan Sri Lim Kok Thay and Puan Sri Wong Hon Yee held 50% of its issued share capital; (ii) the same block of 546,628,908 ordinary shares directly held by Joondalup Limited in which Tan Sri Lim Kok Thay held 100% of its issued share capital; and (iii) the same block of 1,431,059,180 ordinary shares directly held by Resorts World Limited ("RWL") and the same block of 20,096,000 ordinary shares directly held by Genting Overseas Holdings Limited ("GOHL") by virtue of his interests in a chain of corporations holding RWL and GOHL (details of the percentage interests in such corporations were set out in the section headed "Interests of Substantial Shareholders" below)).

(3) Tan Sri Lim Kok Thay as founder and a beneficiary of two discretionary trusts (trustees of which are Parkview Management Sdn Bhd and First Names Trust Company (Isle of Man) Limited respectively) and Mr. Lim Keong Hui also as a beneficiary of these two discretionary trusts, had a deemed interest in the same block of 5,456,942,124 ordinary shares.

(4) Out of the same block of 4,005,786,944 ordinary shares held directly by Golden Hope Limited as trustee of Golden Hope Unit Trust, 1,100,000,000 ordinary shares are pledged ordinary shares.

(5) There was no duplication in arriving at the total interest.

(6) Mr. Lim Keong Hui is a son of Tan Sri Lim Kok Thay.

(7) These shares were jointly held by Mr. Justin Tan Wah Joo and his wife.

(8) All the above interests represented long positions in the shares and excluded those in the underlying shares held through share options, convertible bonds or other equity derivatives, if any. Interests of the Director, Tan Sri Lim Kok Thay, set out in this subsection (A) need to be aggregated with his interests in the underlying shares held through share options, convertible bonds or other equity derivatives of the Company set out in subsection (B) below in order to give the total interests of the Director in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Directors (Continued)

(B) Interests in the underlying shares of the Company held through share options, convertible bonds or other equity derivatives

Share options were granted to a Director under the share option scheme adopted by the Company on 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002) (the "Post-listing Employee Share Option Scheme").

As at 31 December 2014, the Director had personal interests in the following underlying shares of the Company held through share options granted under the Post-listing Employee Share Option Scheme:

Name of Director	Number of underlying ordinary shares	Percentage of issued ordinary shares	Capacity in which such interests were held
Tan Sri Lim Kok Thay	7,000,000	0.087	Beneficial owner

Further details of share options granted to the Director under the Post-listing Employee Share Option Scheme are set out in the section headed "Share Options" below and note 37 to the consolidated financial statements.

These interests in share options represented long positions in the underlying shares in respect of physically settled derivatives of the Company. Interests of the Director, Tan Sri Lim Kok Thay, set out in this subsection (B) need to be aggregated with his interests in the shares of the Company set out in subsection (A) above in order to give the total interests of the Director in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(C) Interests in the shares of associated corporations of the Company

		Nature of interests/capacity in which such interests were held					
Name of associated corporation	Name of Director	Beneficial owner	Interests of spouse	Interests of controlled corporation	Founder/ Beneficiary of discretionary trusts	Total	Percentage of issued ordinary/ common shares
		Number of ordinary/common shares *(Notes)*					
Starlet Investments Pte. Ltd. ("Starlet") *(1)*	Tan Sri Lim Kok Thay	—	250,000 *(2)*	250,000 *(3)*	250,000 *(4)*	500,000 *(15) and (16)*	100
SC Alliance VIP World Philippines, Inc. ("SC Alliance") *(5)*	Tan Sri Lim Kok Thay	—	2,000 *(6)*	2,000 *(7)*	2,000 *(8)*	2,000 *(15) and (16)*	100
Star Cruises Hong Kong Management Services Philippines, Inc. ("SCHKMS") *(9)*	Tan Sri Lim Kok Thay	—	5,000 *(10)*	5,000 *(11)*	5,000 *(12)*	5,000 *(15) and (16)*	100
Travellers International Hotel Group, Inc. ("Travellers") *(13)*	Mr. Lim Keong Hui	1,910,000	—	—	9,203,350,000 *(14)*	9,205,260,000 *(16)*	58.42

Interests of Directors (Continued)

(C) Interests in the shares of associated corporations of the Company (Continued)

Notes:

As at 31 December 2014:

(1) Starlet was a company in which each of a subsidiary of the Company and International Resort Management Services Pte. Ltd. ("IRMS") had a 50% interest. IRMS was owned as to 80% by Tan Sri Lim Kok Thay and 20% by his spouse, Puan Sri Wong Hon Yee.

(2) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim Kok Thay had a family interest in 250,000 ordinary shares of Starlet directly held by IRMS in which Puan Sri Wong Hon Yee had a 20% interest.

(3) Tan Sri Lim Kok Thay was deemed to have a corporate interest in 250,000 ordinary shares of Starlet directly held by IRMS.

(4) As founder and a beneficiary of a discretionary trust, Tan Sri Lim Kok Thay had a deemed interest in 250,000 ordinary shares of Starlet.

(5) SC Alliance had two classes of issued shares, namely the common shares and the series A preferred shares. All the issued common shares in SC Alliance were held by Starlet.

(6) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim Kok Thay had a family interest in 2,000 common shares of SC Alliance directly held by Starlet in which IRMS had a 50% interest, IRMS was in turn owned as to 20% by Puan Sri Wong Hon Yee.

(7) Tan Sri Lim Kok Thay was deemed to have a corporate interest in 2,000 common shares of SC Alliance directly held by Starlet in which IRMS had a 50% interest.

(8) As founder and a beneficiary of a discretionary trust, Tan Sri Lim Kok Thay had a deemed interest in 2,000 common shares of SC Alliance.

(9) SCHKMS was owned as to (i) 60% by SC Alliance; and (ii) 40% by Starlet.

(10) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim Kok Thay had a family interest in 5,000 ordinary shares of SCHKMS directly and indirectly held by Starlet in which IRMS had a 50% interest, IRMS was in turn owned as to 20% by Puan Sri Wong Hon Yee.

(11) Tan Sri Lim Kok Thay was deemed to have a corporate interest in 5,000 ordinary shares of SCHKMS comprising (i) 3,000 ordinary shares directly held by SC Alliance; and (ii) 2,000 ordinary shares directly held by Starlet.

(12) As founder and a beneficiary of a discretionary trust, Tan Sri Lim Kok Thay had a deemed interest in 5,000 ordinary shares of SCHKMS.

(13) Travellers had two classes of issued shares, namely the common shares and the preferred B shares. Following initial listing of the common shares of Travellers on the Main Board of The Philippine Stock Exchange, Inc. on 5 November 2013 and the exercise of the over-allotment option by the stabilising agent on 4 December 2013 to purchase 23,645,600 common shares, the Company's effective interest in the common shares of Travellers has been diluted from 50% to 44.93%. The Company's effective interest in the preferred B shares of Travellers remains unchanged at 50% following the listing.

(14) As a beneficiary of a discretionary trust, Mr. Lim Keong Hui had a deemed interest in 9,203,350,000 common shares of Travellers.

(15) There was no duplication in arriving at the total interest.

(16) These interests represented long positions in the shares of the relevant associated corporations of the Company.

(17) Tan Sri Lim Kok Thay held qualifying shares in certain associated corporations of the Company on trust for a subsidiary of the Company.

Save as disclosed above and in the sections headed "Share Options" and "Interests of Substantial Shareholders" below:

(a) as at 31 December 2014, none of the Directors or the Chief Executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and

(b) at no time during the year was the Company, its subsidiaries, associated companies and fellow subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares, underlying shares or debentures in the Company or its associated companies.

Share Options

Details of the Company's Post-listing Employee Share Option Scheme are set out in note 37 to the consolidated financial statements. The Post-listing Employee Share Option Scheme has expired on 29 November 2010 whereupon no further options can be granted under the scheme but the outstanding options remain exercisable subject to the terms and conditions of the respective grants and the provisions of the scheme. Details of the movement in the share options granted to the Directors of the Company and the employees of the Group under the Post-listing Employee Share Option Scheme during the year and outstanding as at 31 December 2014 were as follows:

Post-listing Employee Share Option Scheme

	Number of options outstanding at 01/01/2014	Number of shares acquired upon exercise of options during the year	Number of options lapsed during the year	Number of options cancelled during the year	Number of options outstanding at 31/12/2014	Date granted	Exercise price per share	Exercisable period
Tan Sri Lim Kok Thay (Director)	632,740	(632,740) *(Note 1)*	—	—	—	23/08/2004	HK$1.6202	24/08/2006 – 23/08/2014
	7,000,000	—	—	—	7,000,000	27/05/2008	HK$1.7800	28/05/2009 – 27/05/2018
	7,632,740	**(632,740)**	**—**	**—**	**7,000,000**			
All other employees	9,332,703	(1,708,258) *(Note 2)*	(7,624,445)	—	—	23/08/2004	HK$1.6202	24/08/2006 – 23/08/2014
	3,090,000	(565,000) *(Note 3)*	—	—	2,525,000	27/05/2008	HK$1.7800	28/05/2009 – 27/05/2018
	12,100,000	—	(1,550,000)	—	10,550,000	16/11/2010	HK$3.7800	16/11/2011 – 15/11/2020
	24,522,703	**(2,273,258)**	**(9,174,445)**	**—**	**13,075,000**			
Grand Total	**32,155,443**	**(2,905,998)**	**(9,174,445)**	**—**	**20,075,000**			

Notes:

(1) At the date before the options were exercised, the market closing value per share quoted on the Stock Exchange was HK$3.0900.

(2) At the dates before the options were exercised, the weighted average market closing value per share quoted on the Stock Exchange was HK$3.0787.

(3) At the dates before the options were exercised, the weighted average market closing value per share quoted on the Stock Exchange was HK$2.9642.

The share options under the Post-listing Employee Share Option Scheme granted on (i) 27 May 2008 vest in five tranches over a period of ten years from the date of offer and become exercisable annually in equal tranches of 20% of the amount granted commencing in each of the five years from 2009 to 2013; and (ii) 16 November 2010 vest in five tranches over a period of ten years from the date of offer and become exercisable annually in equal tranches of 20% of the amount granted commencing in each of the five years from 2011 to 2015. All the share options under the Post-listing Employee Share Option Scheme are subject to further terms and conditions set out in the relevant offer letters and provisions of the Post-listing Employee Share Option Scheme.

Interests of Substantial Shareholders

As at 31 December 2014, the following persons (other than the Directors or the Chief Executive of the Company) had interests or short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register required to be kept under section 336 of the SFO and in accordance with information received by the Company:

(A) Interests in the shares of the Company

	Nature of interests/capacity in which such interests were held						
Name of shareholder *(Notes)*	**Beneficial owner**	**Interests of spouse**	**Interests of controlled corporation**	**Trustee**	**Beneficiary of trust**	**Total**	**Percentage of issued ordinary shares**
			Number of ordinary shares *(Notes)*				
Parkview Management Sdn Bhd (as trustee of a discretionary trust) *(1)*	—	—	1,451,155,180 *(11)*	1,451,155,180 *(13)*	—	1,451,155,180 *(21)*	18.06
Kien Huat International Limited *(2)*	—	—	1,451,155,180 *(11)*	—	—	1,451,155,180	18.06
Kien Huat Realty Sdn. Berhad *(3)*	—	—	1,451,155,180 *(11)*	—	—	1,451,155,180	18.06
Genting Berhad *(4)*	—	—	1,451,155,180 *(11)*	—	—	1,451,155,180	18.06
Genting Malaysia Berhad *(5)*	—	—	1,431,059,180 *(12)*	—	—	1,431,059,180	17.81
Sierra Springs Sdn Bhd *(6)*	—	—	1,431,059,180 *(12)*	—	—	1,431,059,180	17.81
Resorts World Limited *(6)*	1,431,059,180	—	—	—	—	1,431,059,180	17.81
First Names Trust Company (Isle of Man) Limited (as trustee of a discretionary trust) *(7)*	—	—	4,005,786,944 *(14)*	4,005,786,944 *(15)*	4,005,786,944 *(17)*	4,005,786,944 *(21)*	49.84
Cove Investments Limited *(8)*	—	—	—	—	4,005,786,944 *(18)*	4,005,786,944	49.84
Golden Hope Limited (as trustee of Golden Hope Unit Trust) *(9)*	—	—	—	4,005,786,944 *(16) and (20)*	—	4,005,786,944	49.84
Joondalup Limited *(10)*	546,628,908	—	—	—	—	546,628,908	6.80
Puan Sri Wong Hon Yee	—	6,408,512,493 *(19(a))*	36,298,108 *(19(b))*	—	—	6,408,512,493 *(21)*	79.74

Interests of Substantial Shareholders (Continued)

(A) Interests in the shares of the Company (Continued)

Notes:

As at 31 December 2014:

(1) Parkview Management Sdn Bhd ("Parkview") was a trustee of a discretionary trust (the "Discretionary Trust 1"), the beneficiaries of which were Tan Sri Lim Kok Thay ("Tan Sri KT Lim"), Mr. Lim Keong Hui and certain other members of Tan Sri KT Lim's family. Tan Sri KT Lim controlled an aggregate of 33.33% of the equity interest in Parkview directly and indirectly. Tan Sri KT Lim is the father of Mr. Lim Keong Hui.

(2) Kien Huat International Limited ("KHI") was a private company, the voting shares of which were wholly-owned by Parkview as trustee of the Discretionary Trust 1.

(3) Kien Huat Realty Sdn. Berhad ("KHR") was a private company, the voting shares of which were wholly-owned by KHI.

(4) Genting Berhad ("GENT") was a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") of which KHR controlled 39.75% of its equity interest carrying voting power.

(5) Genting Malaysia Berhad ("GENM") was a company listed on the Main Market of Bursa Malaysia of which GENT controlled 49.30% of its equity interest.

(6) Resorts World Limited ("RWL") was a subsidiary of Sierra Springs Sdn Bhd ("Sierra Springs") and both of them were wholly-owned subsidiaries of GENM.

(7) First Names Trust Company (Isle of Man) Limited ("First Names") was the trustee of a discretionary trust (the "Discretionary Trust 2"), the beneficiaries of which were Tan Sri KT Lim, Mr. Lim Keong Hui and certain other members of Tan Sri KT Lim's family. First Names as trustee of the Discretionary Trust 2 held 99.99% of the units in Golden Hope Unit Trust ("GHUT"), a private unit trust directly and 0.01% of the units in GHUT indirectly through Cove (as defined below).

(8) Cove Investments Limited ("Cove") was wholly-owned by First Names as trustee of the Discretionary Trust 2.

(9) Golden Hope Limited ("Golden Hope") was the trustee of GHUT.

(10) Joondalup Limited was wholly-owned by Tan Sri KT Lim.

(11) Each of Parkview as trustee of the Discretionary Trust 1, KHI, KHR and GENT had a corporate interest in 1,451,155,180 ordinary shares (comprising the same block of 1,431,059,180 ordinary shares held directly by RWL and the same block of 20,096,000 ordinary shares held directly by Genting Overseas Holdings Limited ("GOHL"), a wholly-owned subsidiary of GENT).

(12) Each of GENM and Sierra Springs had a corporate interest in the same block of 1,431,059,180 ordinary shares held directly by RWL.

(13) The interest in 1,451,155,180 ordinary shares was held by Parkview in its capacity as trustee of the Discretionary Trust 1 and it comprised the same block of 1,431,059,180 ordinary shares held directly by RWL and the same block of 20,096,000 ordinary shares held directly by GOHL.

(14) First Names as trustee of the Discretionary Trust 2 had a corporate interest in the same block of 4,005,786,944 ordinary shares held directly by Golden Hope as trustee of GHUT.

(15) First Names in its capacity as trustee of the Discretionary Trust 2 had a deemed interest in the same block of 4,005,786,944 ordinary shares held directly by Golden Hope as trustee of GHUT.

(16) The interest in 4,005,786,944 ordinary shares was held directly by Golden Hope in its capacity as trustee of GHUT.

(17) First Names as trustee of the Discretionary Trust 2 was deemed to have interest in the same block of 4,005,786,944 ordinary shares held directly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.

(18) Cove which held 0.01% of the units in GHUT was deemed to have interest in the same block of 4,005,786,944 ordinary shares held directly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.

(19) (a) Puan Sri Wong Hon Yee ("Puan Sri Wong") as the spouse of Tan Sri KT Lim, had a family interest in the same block of 6,408,512,493 ordinary shares in which Tan Sri KT Lim had a deemed interest. These interests did not include the deemed interests of Puan Sri Wong in the underlying shares of the Company through share options held personally by Tan Sri KT Lim and need to be aggregated with such interests set out in subsection (B) below to give the total interests of Puan Sri Wong pursuant to the SFO.

(b) Puan Sri Wong also had a corporate interest in 36,298,108 ordinary shares held directly by Goldsfine by holding 50% of its equity interest.

(20) Out of the same block of 4,005,786,944 ordinary shares held directly by Golden Hope as trustee of GHUT, 1,100,000,000 ordinary shares are pledged ordinary shares.

(21) There was no duplication in arriving at the total interest.

(22) All the above interests represented long positions in the shares of the Company and excluded those in the underlying shares held through share options, convertible bonds or other equity derivatives, if any.

Interests of Substantial Shareholders (Continued)

(B) Interests in the underlying shares of the Company held through share options, convertible bonds or other equity derivatives

Name of shareholder	Number of underlying ordinary shares	Percentage of issued ordinary shares	Nature of interests
Puan Sri Wong Hon Yee	7,000,000 *(Note)*	0.087	Interests of spouse

Note:

As at 31 December 2014, Puan Sri Wong as the spouse of Tan Sri KT Lim, was deemed to have a family interest in 7,000,000 underlying ordinary shares of the Company by virtue of the share options granted to Tan Sri KT Lim under the Post-listing Employee Share Option Scheme. These interests represented long positions in the underlying shares in respect of physically settled derivatives of the Company and need to be aggregated with her interests set out in subsection (A) above to give her total interests pursuant to the SFO.

Save as disclosed above and in the sections headed "Interests of Directors" and "Share Options" above, as at 31 December 2014, there were no other persons who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws and there are no restrictions against such rights under the laws in Bermuda.

Retirement Benefit Schemes

The Group contributes to the statutory defined contribution plans, including provident fund scheme of various countries in which it operates.

Management Contracts

Save for the arrangements relating to the provision of services by Genting Berhad and its related companies to the Group as set out in the section headed "Connected Transactions" above and in the section headed "Significant Related Party Transactions and Balances" in note 35 to the consolidated financial statements, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Major Customers and Suppliers

During the year, the Group purchased less than 30% of its goods and services from its five largest suppliers and the aggregate amount of turnover attributable to the Group's five largest customers was less than 30% of the Group's turnover.

Emolument Policy

The Group's emolument policy and structure are periodically reviewed by the Remuneration Committee. The Group provides competitive salaries, benefits and incentives including statutory provident fund scheme and voluntary schemes where applicable and insurance schemes covering term life, accident and medical for its employees.

Directors' emoluments are determined with reference to, inter alia, their duties and responsibilities, the Group's emolument policy as well as emolument benchmark in the industry, the country in which they are based and prevailing market conditions.

The key areas of the Group's emolument policy are drawn up on the following basis:

Base Salary

Base salaries are set at levels competitive with remuneration for leisure and tourism industry companies based in similar locations which the Group competes for talent. This is to ensure an overall pay structure capable of attracting, motivating and retaining high quality individuals within a cost-effective framework. The Group's employee reward is organised around the financial performance and the markets in which the Group operates. Salary reviews are compared against the external market on an annual basis and adjustments are then recommended to reflect promotions, changes in level of responsibilities and competitive pay levels.

Emolument Policy (Continued)

Annual Bonus

Payout of annual bonuses is dependent on the Group's performance taking into account individual contribution towards achievement of the Group's overall performance.

Share Option Scheme

The Company adopted a Post-listing Employee Share Option Scheme to motivate employees and to allow them to participate in the growth and success of the Group. Options at market value at the date of grant had been offered from time to time to eligible employees entitling them to subscribe for shares in the share capital of the Company. Upon expiry of the said scheme on 29 November 2010, no further options may be granted thereunder while the outstanding options remain exercisable subject to the terms and conditions of the respective grants and the provisions of the scheme.

Retirement Benefits

The Group contributes to retirement schemes for its employees in accordance with statutory requirements in the countries where the Group operates.

Corporate Governance

In the opinion of the Directors, during the year ended 31 December 2014, 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, A.6.7 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 A.6.7 states that, inter alia, Independent Non-executive Directors and other Non-executive Directors, as equal Board members, should attend general meetings.

(c) 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 are set out in the Corporate Governance Report on pages 59 to 92.

Review by Audit Committee

This annual report has been reviewed by the Audit Committee which currently comprises two Independent Non-executive Directors of the Company, namely Mr. Alan Howard Smith and Mr. Lam Wai Hon, Ambrose. As announced by the Company on 6 February 2015, following the resignation of Mr. Heah Sieu Lay as an Independent Non-executive Director of the Company and cessation as the Chairman of the Audit Committee with effect from 3 February 2015, the Company is taking steps to identify suitable candidate(s) to fill up the vacancies occasioned by Mr. Heah's resignation within the three months period in accordance with the relevant requirements of the Listing Rules.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has complied with the 10% public float requirement (as imposed by the Stock Exchange on the Company at the time of listing) during the year and up to the date of this report.

General Disclosure pursuant to the Listing Rules

Pursuant to Rules 13.18 and 13.21 of the Listing Rules, the Company discloses the following information.

Facility Agreements of the Group

In August 2012, the Group entered into a new secured term loan and revolving credit facility in an aggregate amount of US$600 million, of which US$400 million and US$75 million has been drawndown in September 2012 and October 2012 respectively, with a term of 7 years after the first utilisation of the facilities by the Company under the facility agreement (the "US$600 million Facility Agreement") for repayment, in September 2012, of all the outstanding loan balance under the US$600 million secured term loan and revolving credit facility granted pursuant to the facility agreement entered into by the Group in November 2010.

General Disclosure pursuant to the Listing Rules (Continued)

Facility Agreements of the Group (Continued)

In October 2012, the Group entered into another new secured term loan and revolving credit facility in an aggregate amount of US$300 million, with a term of 3 years from the date of the facility agreement (the "US$300 million Facility Agreement").

In April 2014, the Group entered into another new secured term loan facility in an aggregate amount of USD equivalent of up to Euro 593,760,000 with a term of 144 months after the first utilisation of the facility by the Group under the facility agreement (the "First Vessel Loan Facility Agreement") for financing the construction and purchase of the vessel to be constructed pursuant to the shipbuilding contract dated 7 October 2013.

In May 2014, the Group entered into another new secured term loan facility in an aggregate amount of USD equivalent of up to Euro 606,842,214 with a term of 144 months after the first utilisation of the facility by the Group under the facility agreement (the "Second Vessel Loan Facility Agreement") for financing the construction and purchase of the vessel to be constructed pursuant to the shipbuilding contract dated 10 February 2014 and the Hermes Fee (as defined in the Second Vessel Loan Facility Agreement).

Pursuant to (i) the US$600 million Facility Agreement; (ii) the US$300 million Facility Agreement; (iii) the First Vessel Loan Facility Agreement; and (iv) the Second Vessel Loan Facility Agreement, the Lim Family (as defined therein, including Tan Sri Lim Kok Thay (the Chairman and Chief Executive Officer of the Company), his spouse, his direct lineal descendants, the personal estate of any of the above persons; and any trust created for the benefit of one or more of the aforesaid persons and their respective estates) is required, together or individually, directly or indirectly, to hold the largest percentage of the issued share capital of, and equity interest in, the Company. The Lim Family's holding shall include any interest which the Lim Family, together or individually, is deemed to hold in accordance with Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (Disclosure of Interests) and in addition, any interest in the Company held by GENT, GENM and their respective Affiliates (as defined in each of the respective facility agreements).

As at 31 December 2014, the aggregate principal amount under the above facility agreements was US$2,358.9 million and the aggregate outstanding loan balance thereunder was approximately US$400 million.

Significant Subsequent Events

(i) On 3 March 2015, the Group has entered into a purchase agreement to acquire the entire interest in Crystal Cruises, Inc. which is a global luxury cruise line operator, at a consideration of US$550 million subject to certain adjustment items provided that the consideration shall not be more than US$600 million.

(ii) On 5 March 2015, the Group entered into an underwriting agreement to dispose of 6.25 million ordinary shares in NCLH for a total consideration of approximately US$316.9 million (after deduction of relevant estimated expenses). As a result of the share disposal, the percentage of ordinary shares in NCLH owned by the Group decreased from approximately 24.9% to approximately 22.1%.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

Hong Kong, 19 March 2015

CORPORATE GOVERNANCE REPORT

(I) Statement of Compliance

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Summarised below is a statement on how the Company during the year ended 31 December 2014 has applied the principles and complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Exchange") (the "Listing Rules"), save for certain deviations from the relevant Code Provisions A.2.1, A.6.7, and F.1.3 listed below.

A. Directors

A.1 The Board

Principle

An issuer should be headed by an effective Board which should assume responsibility for its leadership and control and be collectively responsible for promoting its success by directing and supervising its affairs. Directors should take decisions objectively in the best interests of the issuer.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the issuer, and whether he is spending sufficient time performing them.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.1.1	At least 4 regular physical Board meetings shall be held each year.	No	The Board has overall responsibility for the proper conduct of the Company's business. Regular Board meetings are held on a quarterly basis and ad hoc Board meetings will be held as and when required.
A.1.2	All Directors shall be given an opportunity to include matters in the agenda for regular Board meetings.	No	Draft notice and agenda for regular Board meetings are provided to all Directors for comments and consideration and inclusion of any matters for deliberation at the meetings.
A.1.3	Notice of at least 14 days should be given of a regular Board meeting. For all other Board meetings, reasonable notice should be given.	No	Formal notice of at least 14 days is given for a regular Board meeting. Reasonable notice will be given for all other Board meetings.
A.1.4	Minutes of Board and Board Committees meetings shall be kept by a duly appointed secretary of the meeting and shall be open for inspection on reasonable notice by any Director.	No	Minutes of the meetings of the Board, the Audit Committee, the Nomination Committee, the Share Option Committee and other ad hoc Board Committees established for specific transaction purposes are kept by the Company Secretary while minutes of the Remuneration Committee meetings are kept by the Head of the Corporate Human Resources Department who is the Secretary of the Remuneration Committee. Such minutes are available for inspection on reasonable notice by any Director.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.1 The Board (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.1.5	Draft and final versions of minutes of Board meetings shall be sent to all Directors for their comments and records within a reasonable time after the Board meeting is held.	No	Draft and final versions of minutes of Board meetings are sent to all Directors for their comments and records within a reasonable time.
A.1.6	There should be a procedure agreed by the Board to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the issuer's expense.	No	The Board has agreed on a procedure to enable the Directors to seek independent professional advice in appropriate circumstances, at the Company's expense, to assist them to perform their duties.
A.1.7	If a substantial shareholder or a Director has a conflict of interest in a material matter to be considered by the Board, the matter shall be dealt with by a physical Board meeting rather than a written resolution.	No	Material transactions with connected persons will be considered at Board meetings whereat the Directors may consider, if appropriate, granting approval in-principle for the proposed transactions and authorising the final forms thereof be further approved by way of circulation of written resolution or by a Board committee set up for that purpose. The Company's Bye-laws and the Bermuda laws allow the attendance of the Company's Directors by means of, inter alia, telephone or electronic facilities and such attendance shall be counted as attendance at a physical Board meeting.
A.1.8	Issuer shall arrange appropriate insurance cover in respect of legal action against its Directors.	No	All Directors are provided with appropriate insurance cover in respect of legal action against them.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.2 Chairman and Chief Executive

Principle

There are two key aspects of the management of every issuer - the management of the Board and the day-to-day management of business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.2.1	Roles of Chairman and Chief Executive shall be separate and shall not be performed by the same individual.	Yes	Tan Sri Lim Kok Thay ("Tan Sri KT Lim") is the Chairman and Chief Executive Officer of the Company. Tan Sri KT Lim has been with the Group since the formation of the Company in 1993 and has considerable experience in the leisure and entertainment industry. Tan Sri KT Lim provides leadership for the Board in considering and setting the overall strategies and objectives of the Company. During the year under review, Mr. David Chua Ming Huat ("Mr. Chua") was the President of the Company who, together with the Senior Management team of the Group, has been assisting the Chairman and Chief Executive Officer of the Company to implement the Company's strategies and policies laid down by the Board with respect to the development of the business of the Group. On 2 July 2014, Mr. Chua tendered resignation as the President of the Company effective from 2 January 2015. On appointment by the Board, Tan Sri KT Lim had assumed the role of the Acting-President of the Company since 2 July 2014 and was accordingly re-designated as the Chairman, Chief Executive Officer and Acting-President of the Company; who, with support of the other Executive Director of the Company and the Senior Management team of the Group, implements the Company's strategies and policies laid down by the Board with respect to the development of the business of the Group. Subsequent to the financial year end under review and with effect from 19 March 2015, Tan Sri KT Lim is retitled as the Chairman and Chief Executive Officer. Notwithstanding the said change in title, the functions and executive responsibilities of Tan Sri KT Lim remain the same. The Board is of the view that the arrangements in having the same individual performing the dual roles of Chairman and Chief Executive Officer are in the interests of the Company as they enable the Board to have the benefit of a chairman who is knowledgeable about the business of the Group and is capable to guide discussions and brief the Board in a timely manner on key issues and developments.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.2 Chairman and Chief Executive (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
			Given that there is a balanced Board with a number of experienced Non-executive Directors (including Independent Non-executive Directors ("INEDs") representing more than one-third of the Board during and after the financial year under review) and an INED acting as the Deputy Chairman, the Board is of the view that there is a strong independent element on the Board to exercise independent judgement and provide sufficient check and balance. The Board will evaluate from time to time the appropriateness of the dual roles of Chairman and Chief Executive Officer performed by the same individual and ensures that the arrangement will continue to be in the interests of the Company and its shareholders as a whole.
A.2.2	The Chairman shall ensure that all Directors are properly briefed on issues arising at Board meetings.	No	All Directors are properly briefed on issues arising at Board meetings.
A.2.3	The Chairman shall ensure that Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable.	No	Adequate business documents and information about the Group are provided to all Directors in a timely manner.
A.2.4	The Chairman provides leadership for the Board and shall ensure that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner.	No	The Board, under the leadership of the Chairman, works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. Comments on the draft notice and agenda of regular Board meetings and matters proposed to be included in such drafts by any Director will be duly considered before finalisation.
A.2.5	The Chairman shall ensure that good corporate governance practices and procedures are established.	No	The Board establishes and maintains good corporate governance practices and procedures.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.2 Chairman and Chief Executive (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.2.6	The Chairman shall encourage all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the issuer.	No	All Directors are encouraged to make a full and active contribution to the Board's affairs and to voice their concerns if they have different views. Directors are given sufficient time for discussion at Board meetings. All Directors endeavour to act in the best interests of the Company.
A.2.7	The Chairman shall at least annually hold meetings with the Non-executive Directors (including INEDs) without the Executive Directors present.	No	During the year under review, the Chairman (who is also the Chief Executive Officer and an Executive Director) of the Company had held a meeting with the Non-executive Directors (including INEDs).
A.2.8	The Chairman shall ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole.	No	Shareholders' Communication Policy has been established by the Board to ensure that an effective system of communication with shareholders is in place. Shareholders are encouraged to participate in general meetings whereat members of the Board and Board Committees are available to answer their questions.
A.2.9	The Chairman shall promote a culture of openness and debate by facilitating the effective contribution of Non-executive Directors and ensuring constructive relations between Executive and Non-executive Directors.	No	All Directors are encouraged to openly share their views on the Company's affairs and issues and they are entitled to have access to Senior Management who will respond to queries raised by the Directors as promptly and fully as possible. The Board has agreed on a procedure to enable the Directors to seek independent professional advice in appropriate circumstances, at the Company's expense, to assist them to perform their duties.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.3 Board composition

Principle

The Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the issuer's business. It should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of Executive and Non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Non-executive Directors should be of sufficient calibre and number for their views to carry weight.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.3.1	INEDs shall be identified in all corporate communications that disclose the names of Directors.	No	Throughout the year under review, the Board has three INEDs, representing at least one half of the Board and constituting a balanced Board with strong independent element. Please refer to the section headed "Directors and Senior Management Profiles" for the skills and experience of each Director. Composition of the Board at the prevailing time throughout the year, by category of Directors, including names of Executive Director(s), INEDs and, where relevant, Non-executive Director has been disclosed in all corporate communications.
A.3.2	Issuer shall maintain on the websites of its own and the Exchange an updated list of its Directors identifying their roles and functions and whether they are INEDs.	No	An updated list of the Company's Directors identifying their roles and functions and whether they are INEDs is available on the websites of the Company and the Exchange.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.4 Appointments, re-election and removal

Principle

There should be a formal, considered and transparent procedure for the appointment of new Directors. There should be plans in place for orderly succession for appointments. All Directors should be subject to re-election at regular intervals. An issuer must explain the reasons for the resignation or removal of any Director.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.4.1	Non-executive Directors shall be appointed for a specific term, subject to re-election.	No	A formal letter of appointment had been entered into between the Company and each of the Non-executive Directors (including INEDs) whereby, except for the initial term of the office of Mr. Justin Tan Wah Joo as set out in the paragraph below, the term of office of each Non-executive Director (including INED) is generally fixed for a term of not more than approximately two years expiring at the conclusion of the annual general meeting ("AGM") of the Company held in the second year following the year of his last re-election by shareholders, subject to the requirements for retirement by rotation at the AGM in accordance with the Company's Bye-laws. For Mr. Justin Tan Wah Joo, who was appointed as a Non-executive Director of the Company on 22 August 2014 , the initial term of his office as a Non-executive Director was fixed for approximately 9 months commencing from the date of his appointment and expiring at the conclusion of the 2015 AGM, whereupon he will be eligible for re-election by shareholders at the 2015 AGM.
A.4.2	All Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director should be subject to retirement by rotation at least once every three years.	No	The Company's Bye-laws conform with this code provision whereby every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and Directors appointed by the Board to fill casual vacancy shall be subject to re-election by shareholders at the first general meeting after appointment.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.4 Appointments, re-election and removal (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.4.3	Re-appointment of any INED who has served more than 9 years should be subject to a separate resolution to be approved by shareholders and the papers to shareholders accompanying that resolution should include the reasons why the Board believes he is still independent and should be re-elected.	No	During the year under review, no INED who has served more than 9 years was subject to re-election.

A.5 Nomination Committee

Principle

In carrying out its responsibilities, the Nomination Committee should give adequate consideration to the Principles under A.3 and A.4 above.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.5.1	A Nomination Committee shall be established and be chaired by the Chairman of the Board or an INED and comprises a majority of INEDs.	No	The Board has established a Nomination Committee which is chaired by an INED. A majority of the members of the Nomination Committee are INEDs.
A.5.2	The Nomination Committee shall have specific written terms of reference to include the prescribed specific duties.	No	The Nomination Committee has specific written terms of reference which contain all the specific duties as prescribed by the CG Code. Please refer to section (III)(C)(2) of this Report for the principal duties of the Nomination Committee.
A.5.3	The Nomination Committee shall make available its terms of reference by including them on the websites of the Exchange and the issuer.	No	Terms of reference of the Nomination Committee (including its role and functions) are available on the websites of the Exchange and the Company.
A.5.4	The Nomination Committee shall be provided with sufficient resources to perform its duties.	No	The Nomination Committee is entitled to seek independent professional advice, at the Company's expenses, if it considers necessary in order to perform its duties.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.5 Nomination Committee (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.5.5	Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting the reasons why it believes the individual shall be elected and considers him to be independent.	No	For the proposed re-appointment of the retiring INED during the year under review, the Company has included in the circular to shareholders accompanying the notice of the relevant general meeting the reasons why the Board considered him to be independent and recommended him to be re-elected.
A 5.6	The Nomination Committee (or the Board) shall have a policy concerning diversity of Board members, and should disclose the policy or a summary of the policy in the Corporate Governance Report.	No	The Nomination Committee has adopted the Director Nomination Policy for the Company which incorporated the policy concerning diversity of the Board members. A summary of the policy regarding Board diversity is disclosed in section (III)(C)(4) of this Report.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.6 Responsibilities of Directors

Principle

Every Director must always know his responsibilities as a Director of an issuer and its conduct, business activities and development. Given the essential unitary nature of the Board, Non-executive Directors have the same duties of care and skill and fiduciary duties as Executive Directors.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.6.1	Every newly appointed Director shall receive a comprehensive, formal and tailored induction on appointment. Subsequently, he shall receive such briefing and professional development as is necessary.	No	On appointment, new Directors will be given a comprehensive formal induction. Mr. Justin Tan Wah Joo (a Non-executive Director of the Company appointed on 22 August 2014) has been given a comprehensive, formal and tailored induction upon his appointment during the year. The Directors are provided with "A Guide on Directors' Duties" issued by the Hong Kong Companies Registry, and the "Guidelines for Directors" and the "Guide for Independent Non-executive Directors" published by the Hong Kong Institute of Directors. They are also furnished with continuous updates and briefings on the latest changes or material developments in statutes, the Listing Rules, corporate governance practices, etc. and are encouraged to participate in continuous professional development programmes to update and enhance their knowledge and skills for performing Directors' roles and responsibilities.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.6 Responsibilities of Directors (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.6.2	Functions of Non-executive Directors shall include the following: (a) participating in Board meetings to bring an independent judgement; (b) taking the lead where potential conflicts of interests arise; (c) serving on the audit, remuneration, nomination and other governance committees, if invited; and (d) scrutinising the issuer's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.	No	All INEDs and Non-executive Director of the Company in office during the year under review have duly performed these functions.
A.6.3	Every Director shall give sufficient time and attention to the issuer's affairs.	No	The Directors continue to give appropriate time and attention to the affairs of the Company.
A.6.4	Written guidelines shall be established for relevant employees' dealings in the securities of the issuer, which shall be on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. "Relevant Employee" includes any employee or a Director or employee of a subsidiary or holding company who is likely to be in possession of unpublished price sensitive information in relation to the issuer or its securities.	No	The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules in force at the prevailing time during the year ended 31 December 2014 as its code of conduct regarding securities transactions by its Directors. The Model Code has been extended and has become equally applicable to dealings in the securities of the Company by members of Senior Management as included in the Company's latest Annual Report or as otherwise resolved by the Board from time to time.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.6 Responsibilities of Directors (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.6.5	All Directors shall participate in continuous professional development to develop and refresh their knowledge and skills. The issuer shall be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.	No	All Directors are provided with continuous updates and briefings on the latest changes or material developments in statutes, the Listing Rules, corporate governance practices, etc. and are encouraged to participate in continuous professional development programmes, at the Company's expenses, to update and enhance their knowledge and skills for performing Directors' roles and responsibilities. The Company maintains and updates a record of training received by the Directors. Please refer to sections (III)(A)(9) to (11) of this Report for further details.
A.6.6	Each Director shall disclose to the issuer at the time of his appointment, and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. The identity of the public companies or organisations and an indication of the time involved shall also be disclosed.	No	Each Director is required, on appointment, to disclose to the Board his directorships in public companies or organisations and other significant commitments, and provides continuous updates, on a regular basis, for any change therein, with an indication of the time involved.
A.6.7	INEDs and other Non-executive Directors, as equal Board members, shall give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They shall also attend general meetings and develop a balanced understanding of the views of shareholders.	Yes	During the year under review, all INEDs and the Non-executive Director of the Company have given the Board and any Board Committees on which they served the benefit of their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation at meetings of the Board and relevant Board Committees (as the case may be). In respect of the special general meeting of the Company held on 25 April 2014 ("SGM"), the Chairman and an INED of the Company were unable to attend due to other engagement. An Executive Director and other two INEDs of the Company had attended the SGM and were available to answer questions thereat.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.6 Responsibilities of Directors (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
			In respect of the Company's 2014 AGM, an INED of the Company was unable to attend due to other engagement. The Chairman, an Executive Director and other two INEDs of the Company had attended the 2014 AGM and were available to answer questions thereat. Save for the aforesaid, no other general meeting was held during the year under review.
A.6.8	INEDs and other Non-executive Directors, shall make a positive contribution to the development of the issuer's strategy and policies through independent, constructive and informed comments.	No	Throughout the year under review, there were three INEDs on the Board, representing at least one half of the Board, constituting a balanced Board with strong independent element. Please refer to the section headed "Directors and Senior Management Profiles" of the Company's Annual Report for the skills and experience of each Director. Adequate business documents and information about the Group were provided to all Directors in a timely manner. The INEDs and the Non-executive Director in office during the year were able to provide independent, constructive and informed comments and decisions on the development of the Company's strategy and policies.

(I) Statement of Compliance (Continued)

A. Directors (Continued)

A.7 Supply of and access to information

Principle

Directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
A.7.1	For regular Board meetings, and as far as practicable in all other cases, Board papers shall be sent, in full, to all Directors at least 3 days (or other agreed period) before a Board or Board Committee meeting.	No	Board papers in respect of regular Board meetings, and as far as practicable in all other cases, are sent to all Directors or Board Committee members (as the case may be) at least 3 days (or other agreed period) before the relevant meeting.
A.7.2	Management shall supply the Board and its committees with adequate information in a timely manner. The Board and individual Directors shall have separate and independent access to the issuer's Senior Management.	No	The Company continues to supply the Board and its committees with adequate information in a timely manner. There are formal and informal contacts between the Board and the Senior Management from time to time at Board meetings and other events.
A.7.3	All Directors are entitled to have access to Board papers and related materials. Queries raised by Directors shall receive a prompt and full response, if possible.	No	Board papers, minutes and related corporate documentation are made available for inspection by all Directors. All Directors are entitled to have access to Senior Management who will respond to queries raised by the Directors as promptly and fully as possible.

(I) Statement of Compliance (Continued)

B. Remuneration of Directors and Senior Management and Board Evaluation

B.1 The level and make-up of remuneration and disclosure

Principle

An issuer should disclose its Directors' remuneration policy and other remuneration related matters. The procedure for setting policy on Executive Directors' remuneration and all Directors' remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain Directors to run the company successfully without paying more than necessary. No Director should be involved in deciding his own remuneration.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
B.1.1	The Remuneration Committee shall consult the Chairman and/or Chief Executive about their remuneration proposals for other Executive Directors and have access to independent professional advice if necessary.	No	The Chairman and Chief Executive Officer of the Company is one of the Remuneration Committee members and shall participate in formulating proposals on the remuneration of other Executive Directors, if any (except his associates), prior to their due consideration by the Remuneration Committee. The Chairman and Chief Executive Officer of the Company is to abstain from voting when his and his associates' remuneration is considered by the Remuneration Committee.
B.1.2	The terms of reference of the Remuneration Committee shall include, as a minimum, the prescribed specific duties.	No	Terms of reference of the Remuneration Committee contain all the specific duties as prescribed by the CG Code. Please refer to section (III)(B)(2) of this Report for the principal duties of the Remuneration Committee.
B.1.3	The Remuneration Committee shall make available its terms of reference by including them on the websites of the Exchange and the issuer.	No	Terms of reference of the Remuneration Committee (including its role and functions) are available on the websites of the Exchange and the Company.
B.1.4	The Remuneration Committee shall be provided with sufficient resources to perform its duties.	No	The Remuneration Committee is entitled to seek independent professional advice, at the Company's expenses, if it considers necessary in order to perform its duties.
B.1.5	Issuers shall disclose details of any remuneration payable to members of Senior Management by band in their annual reports.	No	Remuneration paid to members of Senior Management has been disclosed by band in the Company's Annual Report. Please refer to note 13 headed "Emoluments of Directors and Senior Management" of the Notes to the Consolidated Financial Statements in the Company's Annual Report.

(I) Statement of Compliance (Continued)

C. Accountability and Audit

C.1 Financial reporting

Principle

The Board should present a balanced, clear and comprehensible assessment of the company's performance, position and prospects.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
C.1.1	Management shall provide sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval.	No	The Directors are regularly provided with relevant reports and updates on the Company's business and financial information.
C.1.2	Management shall provide all members of the Board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the Board and each Director to discharge their duties.	No	All Directors are provided with monthly updates giving a balanced and understandable assessment of the Group's performance, position, recent developments and prospects, where applicable, in sufficient details to keep the Directors abreast of the Group's affairs in order to perform their duties.
C.1.3	The Directors shall acknowledge in this Report their responsibility for preparing the accounts. There shall be a statement by the auditors about their reporting responsibilities in the Auditors' Report on the financial statements.	No	The Directors are responsible for preparing accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flows of the Group for the year then ended. In preparing accounts for the year ended 31 December 2014, the Directors have: (i) selected suitable accounting policies and applied them consistently; (ii) made judgements and estimates that are prudent and reasonable; and (iii) prepared accounts on the going concern basis. The Auditor's Report states the auditor's reporting responsibilities.

(I) Statement of Compliance (Continued)

C. Accountability and Audit (Continued)

C.1 Financial reporting (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
C.1.4	The Directors shall include in the separate statement containing a discussion and analysis of the issuer group's performance in the annual report, an explanation of the basis on which the issuer generates or preserves value over the longer term (the business model) and the strategy for delivering the issuer's objectives.	No	The Company's corporate strategy and long term business model are explained in the section headed "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Company's Annual Report.
C.1.5	The Board shall present a balanced, clear and understandable assessment in annual and interim reports and other financial disclosures required by the Listing Rules; and for reports to regulators and information disclosed under statutory requirements.	No	The Board endeavours to present a balanced, clear and understandable assessment of the Group's position in all corporate communications issued under statutory and/or regulatory requirements.

C.2 Internal controls

Principle

The Board should ensure that the issuer maintains sound and effective internal controls to safeguard shareholders' investment and the issuer's assets.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
C.2.1	Directors shall at least annually conduct a review of the effectiveness of the issuer's and its subsidiaries' internal control systems and report to shareholders that they have done so in this Report. The review should cover all material controls, including financial, operational and compliance controls and risk management functions.	No	The Board through the Audit Committee, has conducted periodic reviews of the effectiveness of the Group's system of internal controls, which include financial, operational, compliance controls and risk management functions. The Board is of the view that the Group maintains a reasonably sound and effective system of internal controls relevant to its level of operations. Please refer to section (II) of this Report headed "State of Internal Controls" for the details.
C.2.2	The Board's annual review shall, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function.	No	The periodic reviews of the Board conducted through the Audit Committee as mentioned above have also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

(I) Statement of Compliance (Continued)

C. Accountability and Audit (Continued)

C.3 Audit Committee

Principle

The Board should establish formal and transparent arrangements to consider how it will apply financial reporting and internal control principles and maintain an appropriate relationship with the issuer's Auditors. The Audit Committee established under the Listing Rules should have clear terms of reference.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
C.3.1	Minutes of Audit Committee meetings shall be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meetings shall be sent to all committee members for their comments and records within a reasonable time after the meeting.	No	Minutes of the Audit Committee meetings are kept by the Company Secretary as Secretary of the Audit Committee. Draft and final versions of minutes of Audit Committee meetings are sent to all committee members for their comments and records within a reasonable time.
C.3.2	A former partner of the issuer's existing auditing firm shall be prohibited from acting as a member of its Audit Committee for a period of 1 year from the date of his ceasing: (a) to be partner of the firm; or (b) to have any financial interest in the firm, whichever is later.	No	None of the Directors who served on the Audit Committee during the year under review were former partners of the external auditor.
C.3.3	The Audit Committee's terms of reference shall include at least the prescribed specific duties.	No	Terms of reference of the Audit Committee contain all the specific duties as prescribed by the CG Code. Please refer to section (III)(D)(2) of this Report for the principal duties of the Audit Committee.
C.3.4	The Audit Committee shall make available its terms of reference by including them on the websites of the Exchange and the issuer.	No	Terms of reference of the Audit Committee (including its role and functions) are available on the websites of the Exchange and the Company.

(I) Statement of Compliance (Continued)

C. Accountability and Audit (Continued)

C.3 Audit Committee (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
C.3.5	Where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the issuer shall include in this Report a statement from the Audit Committee explaining its recommendation and the reasons why the Board has taken a different view.	No	The Audit Committee recommended to the Board that, subject to shareholders' approval at the forthcoming AGM, PricewaterhouseCoopers be re-appointed as the external auditor. The Board endorsed the Audit Committee's recommendation on the re-appointment of the external auditor.
C.3.6	The Audit Committee shall be provided with sufficient resources to perform its duties.	No	The Audit Committee is entitled to seek independent professional advice, at the Company's expenses, if it considers necessary in order to perform its duties.
C.3.7	The terms of reference of the Audit Committee shall also require it to review arrangements employees of the issuer can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and to act as the key representative body for overseeing the issuer's relations with the external auditor.	No	Terms of reference of the Audit Committee contain all the specific duties as prescribed by the CG Code. Please refer to section (III)(D)(2) of this Report for the principal duties of the Audit Committee.

(I) Statement of Compliance (Continued)

D. Delegation by the Board

D.1 Management functions

Principle

An issuer should have a formal schedule of matters specifically reserved for Board approval. The Board should give clear directions to Management on the matters that must be approved by it before decisions are made on the issuer's behalf.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
D.1.1	When the Board delegates aspects of its management and administration functions to Management, it must also give clear directions as to the management's powers.	No	The Board delegates management and administration functions to Management as it considers appropriate from time to time, with clear directions as to the Management's powers including circumstances where Management shall report back and obtain prior Board approval.
D.1.2	The issuer shall formalise the functions reserved to the Board and those delegated to Management and review those arrangements periodically.	No	There is a formal schedule of matters reserved for the Board's decision, including: (i) Overall strategic direction; (ii) Annual operating plan; (iii) Annual capital expenditure plan; (iv) Major acquisitions and disposals; (v) Major capital projects; and (vi) Monitoring of the Group's operating and financial performance.
D.1.3	The issuer shall disclose the respective responsibilities, accountabilities and contributions of the Board and Management.	No	Please refer to sections (III)(A)(1) and (2) of this Report for the respective responsibilities, accountabilities and contributions of the Board and Management.
D.1.4	Issuers shall have formal letters of appointment for Directors who shall clearly understand delegation arrangements in place.	No	A formal letter of appointment setting out the key terms and conditions of appointment had been entered into between the Company and individual Directors. Each Director understands the delegation arrangements in place.

(I) Statement of Compliance (Continued)

D. Delegation by the Board (Continued)

D.2 Board Committees

Principle

Board committees should be formed with specific written terms of reference which deal clearly with their authority and duties.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
D.2.1	The Board shall give sufficiently clear terms of reference to Board Committees.	No	Clear terms of reference have been adopted for the formal Board Committees of the Company, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Share Option Committee and any other Board Committees established for investment and/or specific transaction purposes.
D.2.2	The terms of reference of Board Committees shall require them to report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.	No	This term has been included in the terms of reference of the relevant Board Committees.

D.3 Corporate Governance Functions

Summary of Code Provisions		Any deviations?	Governance practices of the Company
D.3.1	The terms of reference of the Board (or a committee(s) performing the corporate governance functions) shall include, as a minimum, the prescribed specific duties.	No	Terms of reference of the Board contain all the specific corporate governance duties as prescribed by the CG Code. Please refer to section (III)(A)(7) of this Report for the principal corporate governance duties of the Board.
D.3.2	The Board shall perform or delegate to a committee or committees to perform the prescribed corporate governance duties.	No	The Board is responsible for performing the corporate governance duties as prescribed by the CG Code.

(I) Statement of Compliance (Continued)

E. Communication with Shareholders

E.1 Effective communication

Principle

The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
E.1.1	A separate resolution on each substantially separate issue shall be proposed by the Chairman of a general meeting to avoid "bundling" resolutions unless they are interdependent and linked and in such case, the reasons and material implications should be explained in the notice of meeting.	No	A separate resolution is proposed on each substantially separate issue at a general meeting.
E.1.2	Chairman of the Board shall attend the annual general meeting and invite the Chairmen of the Audit, Remuneration, Nomination and any other Committees (as appropriate) to attend and in their absence, invite another member of the committee or failing this, his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Management shall ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.	No	The Chairman of the Board (who is also a member of the Remuneration and Nomination Committees) attended and chaired the Company's 2014 AGM pursuant to the Company's Bye-laws and he together with the Chairman and/or other members of the Audit, Remuneration and Nomination Committees and the external auditor of the Company were available to answer questions at the general meeting.

(I) Statement of Compliance (Continued)

E. Communication with Shareholders (Continued)

E.1 Effective communication (Continued)

Summary of Code Provisions		Any deviations?	Governance practices of the Company
E.1.3	The issuer shall arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.	No	During the year under review, more than 10 clear business days' notice period had been given for the SGM. During the year under review, more than 20 clear business days' notice period had been given for the 2014 AGM. Save for the aforesaid, no other general meeting was convened during year 2014.
E.1.4	The Board shall establish a shareholders' communication policy and review it regularly to ensure its effectiveness.	No	Shareholders' Communication Policy has been established and will be reviewed regularly by the Board to ensure its effectiveness.

E.2 Voting by poll

Principle

The issuer should ensure that shareholders are familiar with the detailed procedures for conducting a poll.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
E.2.1	The Chairman of a meeting shall provide an explanation on the detailed procedures for conducting a poll and answer questions from shareholders on voting by poll.	No	During the year under review, procedures for conducting a poll were properly explained during the Company's general meeting proceedings.

(I) Statement of Compliance (Continued)

F. Company Secretary

Principle

The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that Board policy and procedures are followed. The Company Secretary is responsible for advising the Board through the Chairman and/or the Chief Executive on governance matters and should also facilitate induction and professional development of Directors.

Summary of Code Provisions		Any deviations?	Governance practices of the Company
F.1.1	The Company Secretary shall be an employee of the issuer and have day-to-day knowledge of the issuer's affairs.	No	The Company Secretary is an employee of the Company and has general knowledge of its affairs.
F.1.2	The Board shall approve the selection, appointment or dismissal of the Company Secretary.	No	The selection, appointment or dismissal of the Company Secretary shall be approved by the Board as appropriate at Board meeting, as and when the occasion arises.
F.1.3	The Company Secretary shall report to the Board Chairman and/or the Chief Executive.	Yes	The Company Secretary reports to the Board of Directors on Board matters. On company secretarial and administrative matters, the Company Secretary has been reporting to the Head of Legal and Compliance during the year under review until 30 November 2014, and reporting to the Executive Vice President of Corporate Services since 1 December 2014. The Board is of the view that the above arrangement shall be maintained for effective performance of the roles and responsibilities of the Company Secretary.
F.1.4	All Directors shall have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable law, rules and regulations, are followed.	No	All Directors have access to the advice and services of the Company Secretary on Board procedures and corporate governance matters as and when required.

(II) State of Internal Controls

(A) Board responsibilities

The Board has the ultimate responsibilities for the Group's system of internal controls and, through the Audit Committee, has reviewed the adequacy and effectiveness of the system including, inter alia, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The system is designed to provide reasonable, but not absolute, assurance against material misstatements or loss and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

(B) Key internal control process

The key aspects of the internal control system, within the Group are as follows:

(1) The Company has in place a formal organisation structure that clearly defines the Group's management roles, responsibilities and reporting lines.

(2) The Board has delegated the responsibilities to various committees with appropriate empowerment to implement and monitor the operating procedures and system of internal controls. These committees meet on a regular basis and address financial, operational and management matters.

(3) There are policies and guidelines to govern the delegation of authority to various levels of management staff, to ensure accountability and responsibility.

(4) The Group has in place several policies, which govern employees in observing high standards of ethics and integrity in the performance of duties.

(5) Policies and procedures to ensure compliance with internal controls and relevant laws and regulations are set out in the standard operating manuals, guidelines and directives issued by management, which are reviewed and updated from time to time.

(6) There is a strategic planning, annual budgeting and target-setting process, which include forecasts for each area of business with detailed reviews at all levels of operations. The Board reviews and approves budgets.

(7) There is a comprehensive management and financial accounting system in place providing financial and operational performance measure indicators to management, and the relevant financial information for reporting and disclosure purpose.

(8) Performance trends and forecasts, as well as actual performance, cash flow reports and other pertinent business/financial/operation statistics are reviewed and closely monitored by the respective operating units with oversight by Management Committee on a regular basis.

(9) Regulatory and statutory compliance are monitored through the Disclosure Committee, the Head of Legal and Compliance, the Company Secretary and Internal Auditors to support the Board on proper management of effective corporate governance practices and requirements.

(10) The Group has a Risk Management Programme to complement the ongoing risk management delegated to various committees.

The programme is backed by Risk Management Policy which requires business units to perform self risk assessment. The assessed risks are then consolidated for review by Risk Management Task Force ("RMTF") headed by the Chief Financial Officer and members represented by divisional or departmental heads from various operating units. RMTF oversees the process of the programme and meetings were held to assess the progress of the programme and review the risk profiles as well as the management of all key business risks.

The risk management framework/methodology encompasses a 7 systematic step approach with emphasis on risk likelihood and related consequences. An in-house developed software is used to track the risk management approach and to record risk profiles.

(11) The Group has reporting mechanisms in place for improprieties or suspected fraudulent acts. There is a whistleblower system and all reported cases are deliberated by the Whistleblower Committee.

(II) State of Internal Controls (Continued)

(B) Key internal control process (Continued)

(12) The Internal Audit Department is responsible for monitoring the Group's internal governance and provides objective assurance to the Board that a sound internal control system is maintained and operated by management in compliance with approved policies, procedures and standards.

The annual internal audit plan, which is established on a risk based approach, is reviewed and approved by the Audit Committee. Internal audit reports incorporating control weaknesses and remedial actions are issued to the relevant division/department heads upon completion of audits and summary of reports issued are included in the progress report tabled at Audit Committee meeting on a half-yearly basis.

(13) The Board through the Audit Committee, has conducted periodic reviews of the effectiveness of the Group's system of internal controls, which include financial, operational, compliance controls and risk management functions. The periodic reviews have also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The review is supported by periodic reports received from management, external and internal auditors.

(C) Statement from Directors

During the year, there was no significant control failing that materially impacted the business or operations of the Group. The Board is of the view that the Group maintains a reasonably sound and effective system of internal controls relevant to its level of operations.

(III) Other Information

In addition to the information disclosed above, set out below is other information required to be disclosed pursuant to the rules on Corporate Governance Report contained in Appendix 14 to the Listing Rules.

(A) Board of Directors

(1) The Board oversees and enhances the overall management and development of the Group's businesses, including considering and setting the overall strategies and objectives of the Company while allowing Management substantial autonomy to run and develop the business of the Group.

(2) The Board delegates management and administration functions to Management as it considers appropriate from time to time, with clear directions as to the Management's powers including circumstances where Management shall report back and obtain prior Board approval. There is a formal schedule of matters reserved for the Board's decision, including:

(a) Overall strategic direction;

(b) Annual operating plan;

(c) Annual capital expenditure plan;

(d) Major acquisitions and disposals;

(e) Major capital projects; and

(f) Monitoring of the Group's operating and financial performance.

(3) The Board is collectively responsible for performing the corporate governance duties, including, inter alia, developing, reviewing and monitoring compliance with the Company's policies and practices on corporate governance to ensure that they accord with the appropriate standards for good corporate governance.

(4) The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules in force at the prevailing time during the year ended 31 December 2014 as its code of conduct regarding securities transactions by its Directors. Each of the Directors has confirmed, following specific enquiry by the Company, that during the year from 1 January 2014 to 31 December 2014 (both dates inclusive) or from the date of his appointment as a Director to 31 December 2014 (both dates inclusive) (as the case may be), he has complied with the required standard set out in the Model Code as contained in Appendix 10 of the Listing Rules in force at the prevailing time during the said year.

(III) Other Information (Continued)

(A) Board of Directors (Continued)

(5) During the year under review, the following change in the Board took place:

(a) Mr. Justin Tan Wah Joo was appointed as a Non-executive Director of the Company with effect from 22 August 2014.

(6) During the year under review, five Board meetings and two general meetings were held and details of individual Directors' attendance of respective meetings are set out below:

	Board Meeting Attendance	SGM Attendance	2014 AGM Attendance
Executive Directors:			
Tan Sri Lim Kok Thay (Note 1)			
(Chairman and Chief Executive Officer)	5/5	0/1	1/1
Mr. Lim Keong Hui (Note 1)	5/5	1/1	1/1
INEDs:			
Mr. Alan Howard Smith			
(Deputy Chairman)	5/5	1/1	0/1
Mr. Heah Sieu Lay	4/5	0/1	1/1
Mr. Lam Wai Hon, Ambrose	5/5	1/1	1/1
Non-executive Director:			
Mr. Justin Tan Wah Joo (Note 2)	3/3	N/A	N/A

Notes:

(1) Tan Sri Lim Kok Thay is the father of Mr. Lim Keong Hui.

(2) Appointed as a Non-Executive Director on 22 August 2014.

(7) The principal corporate governance functions of the Board include the following:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of Directors and Senior Management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the Company's policies and procedures with regard to conflict of interest and compliance applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

(8) During the year 2014, in accordance with the CG Code, the Board has, inter alia:

(a) reviewed the progress and status in respect of the implementation of the Group's anti-money laundering program ("AML Program") (which was adopted by the Board and launched in 2013) with an aim to monitoring and ensuring due and proper implementation of the AML Program and its effectiveness for complying with all applicable laws and regulations relating to anti-money laundering, counter-terrorism and economic sanctions;

(b) considered and adopted the Model Code (as amended by the Exchange with effect from 1 July 2014) as the Model Code for the Directors and relevant employees of the Company; and

(c) considered and reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, taking into account the related reports and views of the Board Committees in their respective areas.

(III) Other Information (Continued)

(A) Board of Directors (Continued)

(9) All Directors are committed to participate in continuous professional development programmes to update and enhance their knowledge and skills for performing Directors' roles and responsibilities, and would update and confirm to the Company, on a regular basis, the related programmes attended and training received by them. The Company maintains and updates a record of training received by each Director accordingly.

(10) New Directors, on appointment, will be given a comprehensive formal induction covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. All Directors are also furnished with continuous updates and briefings on the latest changes or material developments in statutes, the Listing Rules, and corporate governance practices, etc.. During the year 2014, a comprehensive formal induction briefing has also been given to the newly appointed Director, namely Mr. Justin Tan Wah Joo. The updates and briefings covered a broad range of topics including, inter alia, directors' duties, dealing in securities by directors, disclosure obligation of inside information, financial information and general information, and rules and regulations relating to notifiable transactions, connected transactions and corporate governance. During the year 2014, all Directors are provided with monthly updates giving a balanced and understandable assessment of the Group's performance, position, recent developments and prospects, where applicable, in sufficient details to keep the Directors abreast of the Group's affairs in order to perform their duties.

(11) The participation by individual Directors in the continuous professional development programmes in 2014 is summarised as follows:

	Type of trainings
Executive Directors:	
Tan Sri Lim Kok Thay *(Chairman and Chief Executive Officer)*	A, B, C
Mr. Lim Keong Hui	A, B, C
INEDs:	
Mr. Alan Howard Smith *(Deputy Chairman)*	
Mr. Heah Sieu Lay	A, B, C
Mr. Lam Wai Hon, Ambrose	A, B, C
Non-executive Director:	
Mr. Justin Tan Wah Joo *(Note)*	A, B, C

Note: Appointed as a Non-Executive Director on 22 August 2014.

A: attending in-house briefings and/or reading relevant material

B: reading material relevant to the director's duties and responsibilities

C: attending training/seminars/conferences on applicable laws, rules and regulations update

(B) Remuneration Committee

(1) During the year under review, one Remuneration Committee meeting was held and details of attendance of the Remuneration Committee members are set out below:

	Attendance
Mr. Alan Howard Smith *(Chairman of the Remuneration Committee and INED)*	1/1
Tan Sri Lim Kok Thay *(Chairman and Chief Executive Officer)*	1/1
Mr. Lam Wai Hon, Ambrose *(INED)*	1/1

(III) Other Information (Continued)

(B) Remuneration Committee (Continued)

(2) The principal duties of the Remuneration Committee include the following:

(a) to review and make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;

(b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) to review and determine the remuneration packages of individual Executive Directors and Senior Management including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointments); to review and make recommendations to the Board on the remuneration of Non-executive Directors (including INEDs); and to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(d) to review and approve compensation payable to Executive Directors and Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(e) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(f) to ensure that no Director or any of his associates is involved in deciding his own remuneration;

(g) when the occasion arises, to advise shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under the Listing Rules; and

(h) to consider other topics, as may be delegated by the Board.

(3) During the year 2014, the Remuneration Committee has, inter alia:

(a) considered, reviewed and, where applicable, determined the specific remuneration packages (including annual bonus, benefits in kind, pension rights and compensation payments, if any) of Executive Directors and certain Senior Management; and

(b) recommended the Directors' fee for the year 2013 which has been approved by the shareholders of the Company at the 2014 AGM.

(4) No Director or any of his associates is involved in deciding his own remuneration.

(C) Nomination Committee

(1) During the year under review, one Nomination Committee meeting was held and details of attendance of the Nomination Committee members are set out below:

	Attendance
Mr. Alan Howard Smith *(Chairman of the Nomination Committee and INED)*	1/1
Tan Sri Lim Kok Thay *(Chairman and Chief Executive Officer)*	1/1
Mr. Lam Wai Hon, Ambrose *(INED)*	1/1

(III) Other Information (Continued)

(C) Nomination Committee (Continued)

(2) The principal duties of the Nomination Committee include the following:

(a) to review the structure, size and diversity (including the skills, knowledge, experience and length of service) of the Board at least annually; and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify and nominate candidates to the Board for its approval for appointment to the Board in accordance with the Director Nomination Policy;

(c) to assess the independence of INEDs on their appointments, re-appointments or when their independence is called into question, to review the annual confirmations of the INEDs on their independence; and to make relevant disclosure in accordance with the requirements under the Listing Rules;

(d) to review the contribution required from a Director to perform his responsibilities and to assess whether the Director is spending sufficient time to fulfill his duties;

(e) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the Chief Executive Officer; and

(f) to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board.

(3) During the year 2014, the Nomination Committee has reviewed the structure, size and composition of the Board and, following due consideration, nominated the retiring Directors for re-appointment and one candidate for appointment as a new additional Director, taking into account, inter alia, his qualifications, experience and expertise and, where applicable, the selection criteria (including, inter alia, Board diversity aspects) set out in the Director Nomination Policy (as outlined below) (and in the case of the INEDs, in addition, each of the factors for assessing independence of a Director as set out in the Listing Rules).

On nomination of the Nomination Committee, the Board has:

(a) recommended the re-appointment of Tan Sri Lim Kok Thay (who retired by rotation pursuant to Bye-law 99 of the Company's Bye-laws), Mr. Lim Keong Hui and Mr. Lam Wai Hon, Ambrose (both held office until the next annual general meeting after their appointments pursuant to Bye-law 102(B) of the Company's Bye-laws) as Directors of the Company at the 2014 AGM of the Company. The respective resolutions for re-election of the said retiring Directors were duly approved by the shareholders of the Company; and

(b) appointed Mr. Justin Tan Wah Joo as a Non-executive Director of the Company on 22 August 2014.

Following re-appointment of the retiring Directors at the 2014 AGM of the Company mentioned above, the Board has:

(a) re-appointed Tan Sri Lim Kok Thay as Chairman of the Company and Mr. Alan Howard Smith as Deputy Chairman of the Company to hold office until the conclusion of the 2015 AGM of the Company pursuant to the Company's Bye-laws;

(b) re-appointed Mr. Alan Howard Smith, Tan Sri Lim Kok Thay and Mr. Lam Wai Hon, Ambrose as members of the Remuneration Committee to hold office until the conclusion of the 2015 AGM of the Company and re-appointed Mr. Alan Howard Smith as the Chairman of the Remuneration Committee;

(c) re-appointed Mr. Alan Howard Smith, Tan Sri Lim Kok Thay and Mr. Lam Wai Hon, Ambrose as members of the Nomination Committee to hold office until the conclusion of the 2015 AGM of the Company and re-appointed Mr. Alan Howard Smith as the Chairman of the Nomination Committee; and

(d) re-appointed Mr. Heah Sieu Lay, Mr. Alan Howard Smith and Mr. Lam Wai Hon, Ambrose as members of the Audit Committee to hold office until the conclusion of the 2015 AGM of the Company and re-appointed Mr. Heah Sieu Lay as the Chairman of the Audit Committee.

(III) Other Information (Continued)

(C) Nomination Committee (Continued)

(4) A summary of the Director Nomination Policy regarding Board diversity including objectives set and progress made on achieving these objectives is given below :

(a) The benefits of Board diversity in supporting the achievement of the Company's strategic objectives and sustainable development are recognised by the Nomination Committee and the Board and would be duly considered with regard to the Company's business model and specific needs in the Board appointment process;

(b) Selection of candidates (including new Board nominees and retiring Directors) and ultimate Board appointments and re-appointments will be based on the merit and contribution that the candidates will bring to the Board, having due regard for the benefits of diversity on the Board;

(c) At any given time the Nomination Committee may, if deem fit, seek to improve one or more aspects of Board diversity, including, without limitation, background, skills, knowledge, business experience, professional expertise, length of service, age and/or gender diversity, make recommendations to the Board, and measure progress accordingly; and

(d) In identifying and evaluating suitable candidate to be nominated for appointment as Director by the Board during the year under review, the Nomination Committee has given due regard to selection criteria set out in the Director Nomination Policy including, inter alia, the following:

(i) the qualifications, skills, expertise and background of the candidate that would add to and complement the existing Board;

(ii) other relevant details of the candidate including, inter alia, particulars of other commitments and the ability to devote sufficient time to the business and affairs of the Company; and

(iii) enhancement/maintenance of Board diversity, taking into consideration factors, including but not limited to, background, skills, knowledge, business experience, professional expertise, length of service, age and/or gender, as the Nomination Committee may consider appropriate from time to time to complement the business model and to meet any specific needs of the Company.

(e) The Nomination Committee, after reviewing the structure, size and diversity of the Board (including skills, knowledge, experience and expertise appropriate for the business model and specific needs for the business activities of the Company), had nominated one candidate, namely Mr. Justin Tan Wah Joo, to the Board for its approval for the appointment as a Non-executive Director of the Company to strengthen the composition of the Board and to complement the Company's corporate strategy. Biographical details (including background, knowledge, experience and expertise) of Mr. Justin Tan Wah Joo are disclosed in the section of "Directors and Senior Management Profile" of the Company's Annual Report.

(D) Audit Committee

(1) During the year under review, two Audit Committee meetings were held and details of attendance of Audit Committee members are set out below:

	Attendance
INEDs:	
Mr. Heah Sieu Lay *(Chairman of the Audit Committee)*	2/2
Mr. Alan Howard Smith	2/2
Mr. Lam Wai Hon, Ambrose	2/2

(III) Other Information (Continued)

(D) Audit Committee (Continued)

(2) During the year under review, the principal duties of the Audit Committee included the following:

(a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, to discuss with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and to ensure co-ordination where more than one audit firm is involved;

(c) to develop and implement policy on engaging an external auditor to supply non-audit services, and to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(d) to act as the key representative body for overseeing the Company's relations with the external auditor;

(e) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them before submission to the Board, focusing particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgemental areas;

(iii) significant adjustments resulting from the audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Listing Rules and legal requirements in relation to financial reporting.

(f) in regard to (e) above,

(i) members of the Audit Committee should liaise with the Board and Senior Management and the Audit Committee must meet, at least twice a year, with the auditor; and

(ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(g) to review the external auditor's management letter, any material queries raised by the auditor to Management about accounting records, financial accounts or systems of control and Management's response;

(h) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(i) to review the Company's financial controls, internal control and risk management systems;

(j) to discuss the internal control system with Management to ensure that Management has performed its duty to have an effective internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(k) to review the internal audit programme, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(l) to review the Group's financial and accounting policies and practices;

(m) to review arrangements the Company's employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(n) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and Management's response to these findings; and

(o) to consider other topics, as defined by the Board.

(III) Other Information (Continued)

(D) Audit Committee (Continued)

(3) During the year 2014, the Audit Committee has, inter alia:

(a) reviewed the financial reports for the year ended 31 December 2013 and for the six months ended 30 June 2014;

(b) reviewed the internal and external audit plans;

(c) reviewed the internal and external audit reports;

(d) reviewed the Group's systems of internal controls including, inter alia, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(e) reviewed connected transactions and related party transactions as set out in the section headed "Connected Transactions" in the Report of the Directors and in note 35 to the consolidated financial statements;

(f) considered the appointment of the external auditor including the proposed audit fees;

(g) considered the engagement of the external auditor to provide non-audit services;

(h) discussed periodically with internal and external auditor to ensure co-ordination between them;

(i) discussed periodically with management and internal audit team to ensure that the Group's internal audit function was adequately resourced and had appropriate standing within the Company; and

(j) reported to the Board conclusions of its review and recommendations on the matters set out in (a) to (g) above.

(E) Auditor's Remuneration

A remuneration of US$1.1 million was paid/payable to the Company's external auditor for the provision of audit services in 2014. During the same year, the fees paid/payable to the external auditor for non-audit related activities amounted to US$0.9 million of which US$0.2 million related to tax services fees and US$0.6 million related to regulatory reporting and due diligence service fees.

(F) Shareholders' Rights

(1) Procedures to convene Special General Meeting ("SGM")

(a) Shareholders holding not less than one-tenth of the paid-up capital of the Company can deposit a written request to convene a SGM to the Corporate Headquarters of the Company, for the attention of the Company Secretary.

(b) The written request must state the purposes of the meeting, signed by the shareholders concerned and may consist of several documents in like form, each signed by one or more of those shareholders.

(c) The request will be verified with the Company's Share Registrars and Transfer Agent (as appropriate) and upon their confirmation that the request is proper and in order, the Company Secretary will seek approval of the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all shareholders. On the contrary, if the request has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

(d) If the Board does not within twenty-one days from the date of the deposit of the properly made requisition proceed duly to convene a general meeting, the shareholders who make such requisition, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date and any reasonable expenses so incurred shall be reimbursed by the Company.

(e) The minimum notice period to be given to shareholders for consideration of the proposal raised by the shareholders concerned at a SGM varies according to the nature of the proposal, as follows:

(i) fourteen days' notice in writing if the proposal constitutes an ordinary resolution of the Company; and

(ii) twenty-one days' notice in writing if the proposal constitutes a special resolution of the Company;

provided that at least ten business days' notice in writing shall be given for any SGM.

(III) Other Information (Continued)

(F) Shareholders' Rights (Continued)

(2) Procedures for submitting enquiries to the Company/the Board

(a) Shareholders are encouraged to check the Corporate Information page on the Company's website particularly the Investor Relations section before submitting an enquiry because the information being sought is often available on the website.

(b) Shareholders should direct their questions about their shareholdings to the Company's Share Registrars or Transfer Agent.

(c) In order to enable the Company to respond to shareholders' enquiries more efficiently, the enquiries should be made in writing to help avoid miscommunication and directed to the officer in charge of Investor Relations at the Corporate Headquarters of the Company in Hong Kong whose contact details are given in the Corporate Information section of the Company's Annual Report.

(3) Procedures for making proposals at shareholders' meetings

(a) Shareholders holding not less than one-twentieth of the paid-up capital of the Company, or of not less than one hundred in number, can deposit a written request to the Corporate Headquarters of the Company, for the attention of the Company Secretary, at the expense of the requisitionists, to:

(i) move a resolution at an annual general meeting; and/or

(ii) circulate any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at any general meeting (the "Statement").

(b) The written request, which may consist of several documents in like form, must be signed by all requisitionists, and, in the case of a requisition requiring notice of a resolution as referred to in paragraph (F)(3)(a)(i) above, must state the resolution, and, in the case of any requisition as referred to in paragraph (F)(3)(a)(ii) above, be accompanied by the Statement.

(c) The written request must be deposited at the Corporate Headquarters of the Company not less than six weeks before the next annual general meeting in the case of a requisition requiring notice of a resolution and not less than one week in the case of any other requisition.

(d) The request will be verified in the same manner as set out in paragraph (F)(1)(c) above, and if the request is verified as proper and in order, it will duly be processed provided that the requisitionists have deposited with the requisition a sum of money reasonably sufficient to meet the Company's expenses in serving notice of the resolution (where applicable) and circulating the Statement in accordance with the statutory requirements to all the shareholders.

(G) Investor Relations

During the year under review, certain amendments were made to the Company's Bye-laws as approved by the shareholders of the Company at the 2014 AGM by passing a special resolution in order to enable: (i) the Company by ordinary resolution to declare dividends or distributions out of the contributed surplus in any currency; (ii) the Board to declare and/or pay interim dividends or distributions out of contributed surplus in any currency that appears to the Board to be justified by the financial conditions of the Company; and (iii) the Board to discharge all dividends and other distributions in respect of the shares of the Company in any currency as the Board may determine from time to time. Details of the amendments to the Bye-laws of the Company were set out in the notice of the 2014 AGM dated 28 April 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	Group 2014 US$'000	Group 2013 US$'000
Turnover	5	**570,810**	554,729
Operating expenses			
Operating expenses excluding depreciation and amortisation		**(407,356)**	(385,166)
Depreciation and amortisation	9	**(83,445)**	(74,243)
		(490,801)	(459,409)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		**(114,596)**	(122,669)
Depreciation and amortisation	9	**(7,315)**	(8,130)
		(121,911)	(130,799)
		(612,712)	(590,208)
		(41,902)	(35,479)
Share of profit of jointly controlled entities	17	**1,530**	43,278
Share of profit of associates	18	**147,276**	31,291
Other income/(expenses), net	6	**8,424**	(14,903)
Other gains, net	7	**300,952**	576,254
Finance income		**12,997**	13,219
Finance costs	8	**(31,442)**	(47,800)
		439,737	601,339
Profit before taxation	9	**397,835**	565,860
Taxation	10	**(13,771)**	(13,909)
Profit for the year		**384,064**	551,951

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	Group 2014 US$'000	Group 2013 US$'000
Profit for the year		**384,064**	551,951
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		**(27,278)**	(64,097)
Fair value (loss)/gain on derivative financial instruments		**(17,953)**	873
Fair value gain/(loss) on available-for-sale investments		**75,722**	(45,193)
Fair value loss on available-for-sale investments transferred to profit or loss		**—**	85,712
Cash flow hedges transferred to profit or loss		**927**	9
Share of other comprehensive (loss)/income of an associate		**(47,746)**	3,815
Release of reserves upon disposal of equity interest in an associate		**2,844**	2,872
Release of reserves upon deemed disposal of jointly controlled entities		**(18)**	(99)
Other comprehensive loss for the year		**(13,502)**	(16,108)
Total comprehensive income for the year		**370,562**	535,843
Profit attributable to:			
Equity owners of the Company		**384,475**	552,389
Non-controlling interests		**(411)**	(438)
		384,064	551,951
Total comprehensive income attributable to:			
Equity owners of the Company		**370,973**	536,281
Non-controlling interests		**(411)**	(438)
		370,562	535,843
Earnings per share attributable to equity owners of the Company			
– Basic (US cents)	11	**4.79**	7.00
– Diluted (US cents)	11	**4.61**	6.61
Final dividend	40	**80,367**	80,345

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group 2014 US$'000	Group 2013 US$'000	Company 2014 US$'000	Company 2013 US$'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	14	**1,146,285**	1,042,649	**647**	132
Land use right	15	**4,278**	1,280	**—**	—
Interests in subsidiaries	16	**—**	—	**1,838,317**	1,838,317
Interests in jointly controlled entities	17	**127,706**	27,977	**—**	—
Interests in associates	18	**1,394,279**	1,269,261	**—**	—
Deferred tax assets	32	**312**	50	**—**	—
Available-for-sale investments	19	**209,943**	157,090	**—**	—
Restricted cash		**—**	4,380	**—**	—
Other assets and receivables	23	**35,226**	60,448	**—**	2,000
		2,918,029	2,563,135	**1,838,964**	1,840,449
CURRENT ASSETS					
Properties under development	20	**17,820**	—	**—**	—
Consumable inventories	21	**17,983**	22,030	**—**	928
Trade receivables	22	**80,066**	139,362	**—**	—
Prepaid expenses and other receivables	23	**90,322**	147,738	**2,417**	6,063
Derivative financial instruments	31	**—**	716	**—**	716
Financial assets at fair value through profit or loss	24	**—**	41,949	**—**	—
Available-for-sale investments	19	**15,515**	4,203	**—**	—
Amounts due from subsidiaries	25	**—**	—	**2,580,475**	2,435,201
Amounts due from related companies	35	**3,225**	6,898	**—**	—
Restricted cash		**9,517**	5,541	**—**	—
Cash and cash equivalents	26	**718,574**	935,413	**35,427**	277,318
		953,022	1,303,850	**2,618,319**	2,720,226
TOTAL ASSETS		**3,871,051**	3,866,985	**4,457,283**	4,560,675

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		US$'000	US$'000	**US$'000**	US$'000
EQUITY					
Capital and reserves attributable to the equity owners of the Company					
Share capital	27	**803,669**	803,378	**803,669**	803,378
Reserves:					
Share premium		**16,618**	16,289	**16,618**	16,289
Contributed surplus		**936,823**	936,823	**936,823**	936,823
Additional paid-in capital		**123,761**	112,183	**102,350**	101,889
Convertible bonds - equity component	29	**3,854**	3,854	**3,854**	3,854
Foreign currency translation adjustments		**(63,430)**	(36,134)	**—**	—
Available-for-sale investments reserve		**76,097**	375	**—**	—
Cash flow hedge reserve		**(76,303)**	(3,258)	**(16,096)**	812
Retained earnings		**1,372,898**	1,068,768	**781,034**	913,305
		3,193,987	2,902,278	**2,628,252**	2,776,350
Non-controlling interests		**46,497**	46,908	**—**	—
TOTAL EQUITY		**3,240,484**	2,949,186	**2,628,252**	2,776,350
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans and borrowings	28	**237,659**	386,066	**237,659**	381,686
Deferred tax liabilities	32	**7,850**	1,454	**—**	—
		245,509	387,520	**237,659**	381,686
CURRENT LIABILITIES					
Trade creditors	33	**33,271**	46,952	**—**	—
Current income tax liabilities		**4,369**	3,101	**—**	—
Provisions, accruals and other liabilities	34	**93,592**	102,831	**6,471**	8,760
Current portion of loans and borrowings	28	**220,792**	360,368	**211,275**	335,645
Derivative financial instruments	31	**16,191**	—	**16,191**	—
Amounts due to subsidiaries	25	**—**	—	**1,357,435**	1,058,234
Amounts due to related companies	35	**522**	821	**—**	—
Advance ticket sales		**16,321**	16,206	**—**	—
		385,058	530,279	**1,591,372**	1,402,639
TOTAL LIABILITIES		**630,567**	917,799	**1,829,031**	1,784,325
TOTAL EQUITY AND LIABILITIES		**3,871,051**	3,866,985	**4,457,283**	4,560,675
NET CURRENT ASSETS		**567,964**	773,571	**1,026,947**	1,317,587
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,485,993**	3,336,706	**2,865,911**	3,158,036

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

Mr. Lim Keong Hui
Executive Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Note	Group 2014 US$'000	2013 US$'000
OPERATING ACTIVITIES			
Cash generated from/(used in) operations	(a)	**50,413**	(58,386)
Interest paid		**(27,418)**	(36,907)
Interest received		**14,361**	12,949
Income tax paid		**(6,104)**	(10,731)
Net cash inflow/(outflow) from operating activities		**31,252**	(93,075)
INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	(b)	**(39,658)**	—
Disposal of equity interest in an associate	(c)	**299,980**	683,869
Purchase of property, plant and equipment		**(188,194)**	(140,661)
Proceeds from sale of property, plant and equipment		**17,313**	—
Proceeds from disposal of available-for-sale investments		**5,115**	16,220
Acquisition of equity shares and preferred shares in jointly controlled entities	17	**(118,309)**	(13,174)
Acquisition of equity interest in associates		**—**	(61)
Acquisition of available-for-sale investments		**—**	(32,363)
Payment for financial assets at fair value through profit or loss		**—**	(50,721)
Proceeds from disposal of financial assets at fair value through profit or loss		**59,947**	—
Dividends received		**37,425**	66,177
Repayment of impaired loan		**13,827**	—
Repayments of loans from third parties		**1,341**	747
Loans to third parties		**(5,642)**	(3,316)
Loans to a jointly controlled entity		**(3,741)**	—
Settlement of promissory notes		**—**	50
Refund of capital from a jointly controlled entity		**10,223**	—
Net cash inflow from continuing investing activities		**89,627**	526,767
Net cash inflow from discontinued operations	(d)	**37,043**	116,694
Net cash inflow from investing activities		**126,670**	643,461
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**—**	207,209
Repayments of loans and borrowings		**(290,288)**	(278,774)
Payment of loan arrangement fees		**—**	(50)
Proceeds from issuance of ordinary shares pursuant to the Post-listing Employee Share Option Scheme		**620**	7,021
Restricted cash		**169**	(4,460)
Dividends paid		**(80,345)**	—
Net cash outflow from financing activities		**(369,844)**	(69,054)
Effect of exchange rate changes on cash and cash equivalents		**(4,917)**	3,398
Net (decrease)/increase in cash and cash equivalents		**(216,839)**	484,730
Cash and cash equivalents at beginning of year		**935,413**	450,683
Cash and cash equivalents at end of year	26	**718,574**	935,413

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

Notes to Consolidated Statement of Cash Flows

(a) Cash generated from continuing operations

	Group	
	2014 US$'000	2013 US$'000
OPERATING ACTIVITIES		
Profit before taxation	**397,835**	565,860
Depreciation and amortisation		
– relating to operating function	**83,445**	74,243
– relating to selling, general and administrative function	**7,315**	8,130
	90,760	82,373
Finance costs	**31,442**	47,800
Finance income	**(12,997)**	(13,219)
Share of profit of jointly controlled entities	**(1,530)**	(43,278)
Share of profit of associates	**(147,276)**	(31,291)
Gain on dilution of interests in/deemed disposal of jointly controlled entities	**(6,332)**	(219,016)
Gain on deemed disposal of an associate	**(123,964)**	—
Gain on disposal of equity interest of an associate	**(152,638)**	(451,690)
Gain on disposal of available-for-sale investments	**(20)**	(32)
Gain on disposal of property, plant and equipment	**(3,501)**	—
Impairment of available-for-sale investments	**—**	85,712
Reversal of impairment of loan receivables from a third party	**(13,827)**	—
Provision of loan receivable from a third party	**103**	13,827
Fair value (gain)/loss on financial assets at fair value through profit or loss	**(17,998)**	8,772
Foreign exchange difference on RMB bonds	**(7,327)**	—
Dividend income from an associate	**—**	(561)
Dividend income from investments	**(6,031)**	(2,156)
Others	**1,699**	(2,418)
	28,398	40,683
Decrease/(Increase) in:		
Trade receivables	**59,536**	(47,102)
Consumable inventories	**4,047**	(10,029)
Prepaid expenses and other receivables	**(1,117)**	(6,744)
Other assets	**13,903**	4,096
Increase/(Decrease) in:		
Trade creditors	**(13,681)**	4,247
Provisions, accruals and other liabilities	**(44,162)**	(41,861)
Amounts due to related companies	**3,374**	(3,024)
Advance ticket sales	**115**	1,348
Cash generated from/(used in) operations	**50,413**	(58,386)

Notes to Consolidated Statement of Cash Flows (Continued)

(b) Acquisition of subsidiaries, net of cash acquired

On 15 December 2014, the Company through an indirect wholly–owned subsidiary, Star Cruises Terminal (China) Limited, acquired 100% of the share capital in Exa Limited ("EXA") for US$37.9 million. The acquisition of EXA did not have a material impact on the Group's consolidated statement of comprehensive income for the year ended 31 December 2014.

The net assets acquired and cash flow arising from the acquisition of EXA are as follows:

	As at date of acquisition US$'000
Net assets acquired:	
Cash and cash equivalents	779
Property, plant and equipment	4,839
Investment in a joint controlled entity	3,546
Investment in associates	9,121
Other investments	5,336
Trade and other receivables	15,125
Trade and other payables	(809)
Net assets acquired	37,937
Purchase consideration settled in cash	37,937
Cash and cash equivalents in subsidiary acquired	(779)
Net cash outflow on acquisition	37,158

On 29 August 2014, the Company through an indirect wholly–owned subsidiary, Genting Star International Tourism Academy Limited acquired 75% of the share capital in GAM International Limited ("GAM") for US$5 million. The acquisition of GAM did not have a material impact on the Group's consolidated statement of comprehensive income for the year ended 31 December 2014.

The net assets acquired and cash flow arising from the acquisition of GAM are as follows:

	As at date of acquisition US$'000
Net assets acquired:	
Cash and cash equivalents	500
Intellectual property rights	2,500
Trade and other receivables	2,000
Net assets acquired	5,000
Purchase consideration settled in cash	3,000
Cash and cash equivalents in subsidiary acquired	(500)
Net cash outflow on acquisition	2,500

Remaining purchase consolidation of US$2 million remained as payable as at 31 December 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

Notes to Consolidated Statement of Cash Flows (Continued)

(c) Sales of interest in an associate

In March 2014, the Group completed the underwriting agreement to sell 7.5 million shares in NCLH at an offering price of US$32.97 per share. The percentage of ordinary shares in NCLH beneficially owned by the Group has decreased from 31.4% to 27.7% as a result of the share disposal, with a disposal gain of approximately US$152.6 million to the Group.

The details of net assets disposed of and cash flows arising from the disposal of NCLH are as follows:

	As at date of disposal US$'000
Net assets disposed of	**93,795**
Release of reserves upon disposal of equity interest of an associate	**468**
Gain on disposal of equity interest of an associate	**152,638**
Net proceeds	**246,901**
Sales proceeds received in cash:	
Cash received in 2014	**246,901**

In August 2013, the Group completed the underwriting agreement to sell 11.5 million shares in NCLH at an offering price of US$29.75 per share less 3.25% underwriting discount and commission. The percentage of ordinary shares of NCLH beneficially owned by the Group has decreased from 43.4% to 37.7% as a result of the share disposal, with a disposal gain of approximately US$192.6 million to the Group.

The details of net assets disposed of and cash flow arising from the disposal of NCLH are as follows:

	As at date of disposal US$'000
Net assets disposed of	135,454
Release of reserves upon disposal of equity interest of an associate	1,955
Gain on disposal of equity interest of an associate	192,597
Net proceeds	330,006
Sales proceeds received in cash:	
Cash received in 2013	330,006

Notes to Consolidated Statement of Cash Flows (Continued)

(c) Sales of interest in an associate (Continued)

In December 2013, the Group entered into another underwriting agreement to sell 12.65 million shares in NCLH at an offering price of US$33.25 per share less 3.25% underwriting discount and commission. The percentage of ordinary shares of NCLH beneficially owned by the Group has decreased from 37.5% to 31.4% as a result of the share disposal, with a disposal gain of approximately US$259.1 million to the Group.

The details of net assets disposed of and cash flow arising from the disposal of NCLH are as follows:

	As at date of disposal US$'000
Net assets disposed of	146,932
Release of reserves upon disposal of an associate	917
Gain on disposal of equity interest of an associate	259,093
Net proceeds	406,942
Sales proceeds received in cash:	
Cash received in 2013	353,863
Deferred consideration received in 2014	53,079
	406,942

(d) Net cash flows from discontinued operations

On I June 2012, the Group as a seller entered into a memorandum of agreement with Norwegian Sky Ltd., buyer nominated by NCL (Bahamas) Ltd., the charterer of m.v. Norwegian Sky, in relation to the disposal of the vessel for a consideration of approximately US$259.3 million. The disposal was completed on 6 June 2012.

The net cash flows of the discontinued operations (i.e. charter hire) included in the statement of cash flows are set out below.

	2014 US$'000	2013 US$'000
Cash flows from discontinued operations		
Collection of deferred consideration/Proceeds from disposal of assets	**37,043**	116,694

Out of the total consideration of US$259.3 million in relation to the disposal of m.v. Norwegian Sky, US$203.7 million has been received by the Group as at 31 December 2014. The remaining US$55.6 million will be settled in 3 equal installment payments plus interest at 1.25% per annum until 31 May 2016.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2014

Group	Attributable to owners of the Company											
	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000	Additional paid-in capital US$'000	Convertible bonds - equity component US$'000	Foreign currency translation adjustments US$'000	Cash flow hedge reserve US$'000	Available-for-sale investments reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2014	803,378	16,289	936,823	112,183	3,854	(36,134)	(3,258)	375	1,068,768	2,902,278	46,908	2,949,186
Comprehensive income:												
Profit for the year	—	—	—	—	—	—	—	—	384,475	384,475	(411)	384,064
Other comprehensive income/(loss) for the year:												
Foreign currency translation differences	—	—	—	—	—	(27,278)	—	—	—	(27,278)	—	(27,278)
Fair value loss on derivative financial instruments	—	—	—	—	—	—	(17,953)	—	—	(17,953)	—	(17,953)
Cash flow hedges transferred to profit or loss	—	—	—	—	—	—	927	—	—	927	—	927
Share of other comprehensive income/(loss) of an associate	—	—	—	11,569	—	—	(59,315)	—	—	(47,746)	—	(47,746)
Fair value gain on available-for-sale investments	—	—	—	—	—	—	—	75,722	—	75,722	—	75,722
Release of reserves upon disposal of equity interest of an associate	—	—	—	(452)	—	—	3,296	—	—	2,844	—	2,844
Release of reserves upon deemed disposal of equity interest of jointly controlled entities	—	—	—	—	—	(18)	—	—	—	(18)	—	(18)
Total comprehensive income/(loss)	—	—	—	11,117	—	(27,296)	(73,045)	75,722	384,475	370,973	(411)	370,562
Transactions with owners:												
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	291	329	—	—	—	—	—	—	—	620	—	620
Amortisation of share option expense	—	—	—	461	—	—	—	—	—	461	—	461
Dividends paid	—	—	—	—	—	—	—	—	(80,345)	(80,345)	—	(80,345)
At 31 December 2014	803,669	16,618	936,823	123,761	3,854	(63,430)	(76,303)	76,097	1,372,898	3,193,987	46,497	3,240,484

Group	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000	Additional paid-in capital US$'000	Convertible bonds - equity component US$'000	Foreign currency translation adjustments US$'000	Cash flow hedge reserve US$'000	Available-for-sale investments reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
	Attributable to owners of the Company											
At 1 January 2013	777,249	13	936,823	105,174	5,929	29,225	(5,896)	(40,144)	516,379	2,324,752	47,346	2,372,098
Comprehensive income:												
Profit for the year	—	—	—	—	—	—	—	—	552,389	552,389	(438)	551,951
Other comprehensive income/(loss) for the year:												
Foreign currency translation differences	—	—	—	—	—	(64,097)	—	—	—	(64,097)	—	(64,097)
Fair value gain on derivative financial instruments	—	—	—	—	—	—	873	—	—	873	—	873
Cash flow hedges transferred to profit or loss	—	—	—	—	—	—	9	—	—	9	—	9
Share of other comprehensive income/(loss) of an associate	—	—	—	4,984	—	—	(1,169)	—	—	3,815	—	3,815
Fair value loss on available-for-sale investment	—	—	—	—	—	—	—	(45,193)	—	(45,193)	—	(45,193)
Fair value loss transferred to profit or loss	—	—	—	—	—	—	—	85,712	—	85,712	—	85,712
Release of reserves upon deemed disposal of jointly controlled entities	—	—	—	643	—	(1,262)	520	—	—	(99)	—	(99)
Release of reserves upon disposal of equity interest of an associate	—	—	—	467	—	—	2,405	—	—	2,872	—	2,872
Total comprehensive income/(loss)	—	—	—	6,094	—	(65,359)	2,638	40,519	552,389	536,281	(438)	535,843
Transactions with owners:												
Issue of ordinary shares upon conversion of convertible bonds	24,004	13,455	—	—	(2,075)	—	—	—	—	35,384	—	35,384
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	2,125	2,821	—	—	—	—	—	—	—	4,946	—	4,946
Amortisation of share option expense	—	—	—	915	—	—	—	—	—	915	—	915
At 31 December 2013	803,378	16,289	936,823	112,183	3,854	(36,134)	(3,258)	375	1,068,768	2,902,278	46,908	2,949,186

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2014

Company	Share capital US$'000	Share premium[1] US$'000	Contributed surplus US$'000	Additional paid-in capital[1] US$'000	Convertible bonds - equity component US$'000	Cash flow hedge reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2014	803,378	16,289	936,823	101,889	3,854	812	913,305	2,776,350
Comprehensive income:								
Loss for the year	—	—	—	—	—	—	(51,926)[2]	(51,926)
Other comprehensive income/(loss) for the year:								
Fair value loss on derivative financial instruments	—	—	—	—	—	(17,953)	—	(17,953)
Cash flow hedges transferred to profit or loss	—	—	—	—	—	1,045	—	1,045
Total comprehensive income	—	—	—	—	—	(16,908)	(51,926)	(68,834)
Transaction with owners:								
Issuance of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	291	329	—	—	—	—	—	620
Amortisation of share option expense	—	—	—	461	—	—	—	461
Dividends paid	—	—	—	—	—	—	(80,345)	(80,345)
At 31 December 2014	803,669	16,618	936,823	102,350	3,854	(16,096)	781,034	2,628,252

Company	Share capital US$'000	Share premium[1] US$'000	Contributed surplus US$'000	Additional paid-in capital[1] US$'000	Convertible bonds - equity component US$'000	Cash flow hedge reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2013	777,249	13	936,823	100,974	5,929	(145)	132,264	1,953,107
Comprehensive income:								
Profit for the year	—	—	—	—	—	—	781,041[2]	781,041
Other comprehensive income for the year:								
Fair value gain on derivative financial instruments	—	—	—	—	—	873	—	873
Cash flow hedges transferred to profit or loss	—	—	—	—	—	84	—	84
Total comprehensive income	—	—	—	—	—	957	781,041	781,998
Transaction with owners:								
Issuance of ordinary shares upon conversion of convertible bonds	24,004	13,455	—	—	(2,075)	—	—	35,384
Issuance of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	2,125	2,821	—	—	—	—	—	4,946
Amortisation of share option expense	—	—	—	915	—	—	—	915
At 31 December 2013	803,378	16,289	936,823	101,889	3,854	812	913,305	2,776,350

Notes:

1. These reserves are non-distributable as dividends to equity owners of the Company.
2. The loss attributable to equity owners of the Company is dealt with in the financial statements of the Company to the extent of US$51,926,000 (2013: profit attributable to equity owners of the Company of US$781,041,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

2. Principal Accounting Policies and Basis of Preparation

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Company Ordinance (Cap.32) for this financial year and the comparative period.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Standards, amendments and interpretations to existing standard effective in 2014

From 1 January 2014, the Group has adopted the following new/revised HKFRS/Hong Kong Accounting Standard ("HKAS"), amendments and interpretations to existing standard, which are relevant to its operations.

(i) HKAS 32 (Amendment), 'Financial instruments: Presentation - Offsetting financial assets and financial liabilities' (effective from 1 January 2014). The amendments clarify the requirements for offsetting financial instruments on the statement of financial position: (i) the meaning of 'currently has a legally enforceable right of set-off'; and (ii) that some gross settlement systems may be considered equivalents to net settlement. The amendment does not have a material impact on the Group's consolidated financial statements.

(ii) HKAS 36 (Amendment), 'Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets' (effective from 1 January 2014). This amendment removed certain disclosures of the recoverable amount of cash-generating units which had been included in HKAS 36 by the issue of HKFRS 13. The amendment does not have a material impact on the Group's consolidated financial statements.

(iii) HK(IFRIC) – Int 21, 'Levies' (effective from 1 January 2014). It sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligation event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subject to significant levies so the impact on the Group is not material.

(iv) In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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

(a) Basis of preparation (Continued)

New and amended standards that have been issued and not yet effective and have not been early adopted

(i) HKAS 16 and HKAS 38 (Amendments), 'Clarification of acceptable methods of depreciation and amortisation' (effective from 1 January 2016). The amendments clarify the prohibition of revenue based depreciation for property, plant and equipment and rebuttable presumption that revenue based amortisation is appropriate for intangible assets. The standards and amendments are not expected to have a material impact on the Group's consolidated financial statements.

(ii) HKAS 16 and HKAS 41 (Amendments), 'Bearer plants' (effective from 1 January 2016). The amendments includes plant that meet the definition of a bearer plant are accounted for as property, plant and equipment according to HKAS 16. The amendment is not relevant to the Group.

(iii) HKAS 27 (Amendments), 'Equity method in separate financial statements' (effective from 1 January 2016). The amendments include the option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The standard and amendment are not expected to have a material impact on the Group's consolidated financial statements.

(iv) HKFRS 9, 'Financial Instruments' (effective from 1 January 2018). HKFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised costs, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit and loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit and lost. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedge ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is required but is different to that currently prepared under HKAS 39. The impact on the Group's consolidated financial statements is still in the process of review.

(v) HKFRS 10 and HKAS 28 (Amendments), 'Sale or contribution of assets between an investor and its associate or joint venture' (effective from 1 January 2016). The amendments clarify the treatment of gains and losses on the sale of a subsidiary to an associate or joint venture which did not qualify as a business as defined in HKFRS 3. The standards and amendments are not expected to have a material impact on the Group's consolidated financial statements.

(vi) HKFRS 11 (Amendments), 'Accounting for acquisitions of interests in joint operations' (effective from 1 January 2016). The amendments clarify the treatment of acquisition of interest in joint operations that meet the definition of business in HKFRS 3. The standards and amendments are not expected to have a material impact on the Group's consolidated financial statements. The interpretations are not expected to have a material impact on the Group's consolidated financial statements.

(vii) HKFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2017). The object of HKFRS 15 is to clarify the principles of revenue recognition. This includes removing inconsistencies and perceived weaknesses and improving the comparability of revenue recognition practices across companies, industries and capital markets. In doing so HKFRS 15 establishes a single revenue recognition framework. The core principle of the framework is, that an entity should recognised revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Group will apply HKFRS 15 from 1 January 2017. It is not expected to have a material impact on the Group's consolidated financial statements.

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

(a) Basis of preparation (Continued)

New and amended standards that have been issued and not yet effective and have not been early adopted (Continued)

(viii) HK(IFRIC) – Int 2, 'Members' shares in co-operative entities and similar instruments2' (effective from 1 January 2015). The interpretation applies to financial instruments within the scope of HKAS 32, including financial instruments issued to members to co-operative entities that evidence the members' owner interest in the entity. The interpretation is not relevant to the Group.

(ix) HK(IFRIC) – Int 4, 'Determining whether an arrangement contains a lease' (effective from 1 January 2016). The interpretation provides guidance for determining whether such arrangements are, or contain, leases that could be accounted for in accordance with HKAS 17.

Apart from the impact mentioned above and certain presentational changes, the adoption of these new/revised HKFRS/HKAS standards and interpretations has no significant impact on the Group's financial statements. Where necessary, comparative information has been reclassified and expanded from previously reported consolidated financial statements to take into account any presentational change made in this set of financial statements.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrecognised gains on transactions within the Group are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds from the disposal and the Group's share of its net assets, including the cumulative amount of any foreign currency translation differences that relate to the subsidiary recognised in equity in accordance with HKAS 21 'The Effects of Changes in Foreign Exchange Rates'.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less provision of impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(ii) Transaction with non-controlling interests

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

(b) Consolidation (Continued)

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's interests in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial information of associates was prepared using accounting policies of the respective countries and appropriate adjustments were made to conform the accounting policies adopted by the Group.

Goodwill represents the excess of the cost of an acquisition over the fair values of the Group's share of net identifiable assets of the acquired subsidiary/associate/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and jointly controlled entities is included in interests in associates and jointly controlled entities respectively. Separately recognised goodwill is tested annually for impairment or where there are indications of possible impairment and is carried at net carrying amount less accumulated impairment losses. Impairment losses on goodwill arising from acquisition of subsidiaries are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iv) Joint ventures

The Group's interests in jointly controlled entities is accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of post-acquisition results of jointly controlled entities in the consolidated statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, which includes goodwill on acquisition (net of accumulated impairment loss).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the jointly controlled entities that is attributable to other venturers. The Group does not recognise its share of profits or losses from the jointly controlled entities that result from the purchase of assets by the Group from the jointly controlled entities until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The financial information of jointly controlled entities was prepared using accounting policies of the respective countries and appropriate adjustments were made to conform the accounting policies adopted by the Group.

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

(c) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

The results and financial position of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated using the closing rate at the date of that financial position;

(ii) income and expenses for each statement of comprehensive income are translated using the average exchange rates;

(iii) all resulting exchange differences are recognised as a separate component of equity;

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences, are reattributed to non-controlling interest and are not recognised in profit or loss. For all other partial disposal (that is, reduction in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(d) Revenue and expense recognition

Revenues are recognised when the relevant services have been rendered. Cruise revenue, and all associated direct costs of a voyage, are generally recognised on a pro rata basis over the period. Where services are provided on credit, revenue is recognised when it is probable that future economic benefits will flow to the Group, ongoing credit evaluations are performed and potential credit losses are expensed at the time accounts receivable are estimated to be uncollectible.

Deposits received from customers for future voyages are recorded as advance ticket sales until such passenger revenue is earned. Interest income and expense are recognised on a time proportion basis using the effective interest method.

Gaming revenue is the aggregate of gaming wins and losses. Commission rebated directly or indirectly through gaming promoters to customers, cash discounts and other cash incentives to customers related to gaming play are recorded as a reduction of gross gaming revenue.

(e) Dividend income

Dividend income is recognised when the right to receive dividend is established.

(f) Drydocking costs

Drydocking costs represent major inspection and overhaul costs and are depreciated to reflect the consumption of benefits, which are to be replaced or restored by the subsequent drydocking generally every two to three years. The Group has included these drydocking costs as a separate component of the ship costs in accordance with HKAS 16 'Property, Plant and Equipment'.

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

(g) Advertising costs

The Group's advertising costs are generally expensed as incurred.

(h) Start up expenses

Start up expenses, which primarily comprise expenses of deploying a ship from the dockyard to its port of operations and repositioning a ship to develop a new market, including crew payroll and ship expenses, are expensed as incurred and included in operating expenses. Marketing expenses incurred during the year are included in selling, general and administrative expenses.

(i) Current and deferred income tax

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of consolidated statement of financial position in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less and exclude restricted cash and bank overdrafts. In the statement of financial position, bank overdrafts are shown within loans and borrowings in current liabilities.

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

(k) Convertible bonds

The fair value of the liability component and the equity conversion component are determined at issuance of the convertible bonds.

The fair value of the liability component, included in long-term borrowings is calculated using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The residual amount, being the equity component, representing the option to covert the liability component into ordinary shares of the Company, is included as a component of reserves in equity. The equity component will remain as a separate line item within equity until the conversion option is exercised (in which case the corresponding portion of the equity component will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in the equity will be released to the retained earnings/accumulated losses.

The finance cost recognised in the consolidated statement of comprehensive income in respect of convertible bonds is calculated so as to produce a constant periodic rate of interest on the remaining balance of the liability component of the convertible bonds for each accounting period. The costs incurred in connection with the issue of convertible bonds are deferred and amortised over the lives of the convertible bonds from the date of issue of the bonds to their final redemption date.

(l) Consumable inventories

Consumable inventories consist mainly of provisions and supplies and are carried at the lower of cost, determined on a weighted average basis, and net realisable value. Net realisable value is determined on the basis of estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(m) Properties under development

Properties under development are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion. Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(n) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtors and the probability that the debtor will default in payments are considered indicators that the trade receivables are impaired. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of comprehensive income.

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

(o) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of consolidated statement of financial position. These are classified as non-current assets. The Group's loans and receivables comprise "cash and cash equivalents" and "trade and other receivables" in the consolidated statement of financial position (notes (j) and (n)).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the statement of date of consolidated statement of financial position.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss category are presented in the consolidated statement of comprehensive income within other gains, net, in the year in which they arise.

Dividends on financial assets at fair value through profit or loss are recognised in the income statement as part of other income when the Group's right to receive payment is established.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of comprehensive income as "gains and losses from investment securities".

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

(o) Financial assets (Continued)

(ii) Recognition and measurement (Continued)

The Group assesses at each date of consolidated statement of financial position whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the consolidated statement of comprehensive income. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income. Impairment testing of trade receivables is described in note (n).

(p) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realised the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(q) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are recognised for a contract that is onerous, a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Provisions are not recognised for future operating losses.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, the asset is recognised.

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

(r) Assets under leases

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability for each period. The finance charges are charged to the consolidated statement of comprehensive income over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

(ii) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. The land held under a long-term lease is classified as an operating lease if the risks and rewards incidental to ownership will not be transferred to the lessee. Rental payments applicable to such operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

(iii) Sale and leaseback transactions – where the Group is the lessee

A sale and leaseback transaction involves the sale of an asset by the vendor and the leasing of the same asset back to the vendor. The lease payments and the sale price are usually interdependent as they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved and the economic and commercial substance of the whole arrangement.

(a) Finance leases

Sale and leaseback arrangements that result in the Group retaining the majority of the risks and rewards of ownership of assets are accounted for as finance leases. Any excess of sales proceeds over the carrying amount shall be deferred and amortised over the lease term. Each lease payment is allocated between the repayment of finance lease liabilities and finance charges so as to achieve a constant periodic rate of interest on the finance lease liability outstanding.

(b) Operating leases

Sale and leaseback arrangements that result in substantially all of the risks and rewards of ownership of assets being transferred to the lessor are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the consolidated statement of comprehensive income over the lease periods.

(iv) Operating leases – where the Group is the lessor

When assets are leased out under an operating lease, the assets are included in the statement of financial position based on the nature of the assets. Lease income is recognised over the term of the lease on a straight-line basis.

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

(s) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Significant cruise ship refurbishing costs are capitalised as additions to the cruise ship, only when it is probable that future economic benefits associated with these items will flow to the Group and the costs of these items can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Cruise ships, passenger ferry and ships improvement are depreciated to their estimated residual values on a straight-line basis over periods ranging from 15 to 30 years. Other assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Jetties, buildings and terminal building	20 – 50 years
Equipment and motor vehicles	3 – 20 years
Aircraft	15 years
Yacht, boat equipment and submersible	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of consolidated statement of financial position.

Freehold land is not depreciated as it has infinite life. No depreciation is provided on property, plant and equipment, which are under construction. The Group capitalises interest based on the weighted average cost of borrowings on cruise ships and other capital projects during the period required to get such assets ready for their intended use. Interest capitalisation ceases when the asset is substantially completed.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

Capitalised project costs are reviewed at the end of each reporting period in order to determine if these costs should continue to be capitalised. When a project has been aborted or circumstances indicate that a project has become commercially not viable, all costs previously capitalised relating to such projects are expensed to the consolidated statement of comprehensive income.

The gain or loss on disposal of a property, plant and equipment is the difference between the net sale proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated statement of comprehensive income.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note (z)).

(t) Earnings per share

Basic earnings per share is computed by dividing profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during each year.

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options. The convertible bonds are assumed to have been converted into ordinary shares and the profit is adjusted to eliminate the interest expense. For the share options, certain shares under option have an effect on the adjusted weighted average number of shares in issue as the average option price is lower than the average exercise price.

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

(u) Share option expense

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each date of consolidated statement of financial position, the Company revises its estimates of the number of shares under the options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

Where the terms and conditions of the options are modified before the vesting date, the incremental fair value of the options granted, measured immediately before and after the modification, is recognised in the consolidated statement of comprehensive income over the remaining vesting period. If the modification occurred after the vesting date, the incremental fair value of the options granted, measured immediately before and after the modification, is recognised immediately in the consolidated statement of comprehensive income.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

(v) Retirement benefit costs

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

(w) Employee leave entitlements

Employees' entitlement to annual leave are recognised when they are accrued to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the date of consolidated statement of financial position.

Employees' entitlement to sick leave and maternity or paternity leave are not recognised until the time of leave.

(x) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(y) Borrowings and borrowing costs

Borrowings are recognised initially at fair value and are subsequently stated at amortised cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the consolidated statement of comprehensive income in the year in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of consolidated statement of financial position.

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

(z) Impairment of assets

At each date of consolidated statement of financial position, both internal and external sources of information are considered to assess whether there is any indication that interests in subsidiaries, jointly controlled entities, associates, property, plant and equipment, goodwill and trade names are impaired. If any indication of impairment of an asset exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. In the case of goodwill and trade name, impairment assessment is performed at least on an annual basis. Such impairment losses are recognised in the profit and loss. For the purpose of assessing impairment, assets are grouped and evaluated at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

The Group measures the amount of the impairment by comparing the carrying amount of an asset to its recoverable amount, which is the higher of an asset's net selling price or its value in use. The Group estimates recoverable amount based on the best information available making whatever estimates, judgements and projections considered necessary. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties less costs of disposal. The estimation of value in use is measured using various financial modeling techniques such as discounting future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful lives at discount rates which commensurate with the risk involved.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment losses made against goodwill arising from acquisition of subsidiaries are not reversed. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the profit and loss in the year in which the reversals are recognised.

(aa) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

(bb) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman who makes strategic decisions.

(cc) Financial guarantee contracts

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the Group has obligations under such guarantees and an outflow of resources embodying economic benefits will be required to settle the obligations.

3. Financial Risk Management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rate risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to recognise potential adverse effects on the Group's financial performance. The Group enters into derivative financial instruments, primarily foreign currency forward contracts, fuel swaps and interest rate swaps to limit its exposures to fluctuations in foreign currency exchange rates, fluctuation in the fuel oil prices and to modify its exposure to interest rate movements and to manage its interest costs.

(i) Foreign currency exchange rate risk

The Group is exposed to foreign currency exchange rate fluctuations on the U.S. dollar value of the Group's foreign currency denominated forecasted transactions. The Group's principal net foreign currency exposure relates to the Australian dollar, Singapore dollar, Renminbi, Malaysia Ringgit and the Hong Kong dollar. To manage this exposure, the Group takes advantage of any natural offsets of the Group's foreign currency revenues and expenses and from time to time enters into foreign currency forward contracts and/or option contracts for a portion of the remaining exposure relating to these forecasted transactions when appropriate.

At 31 December 2014, if the Singapore dollar, Renminbi and Malaysia Ringgit had weakened/strengthened by 5% (2013: 5%) against U.S. dollar with all other variables held constant, the foreign exchange losses/gains as a result of translation of Singapore dollar, Renminbi and Malaysia Ringgit denominated trade receivables would be as follows:

	Group	
	2014	2013
	US$'000	US$'000
Foreign exchange losses/gains	**1,770**	1,655

Since Hong Kong dollar is pegged to U.S. dollar, management considered that the Group does not have any material foreign exchange exposure in this regard.

The Company is not exposed to any material foreign exchange risk.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as available-for-sale investments and financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities and debt securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

3. Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk

Credit risk arises from cash and cash equivalents, receivable from an associate relating to disposal of m.v. Norwegian Sky, deposits with banks and financial institutions, loans granted to jointly controlled entities and advances to third parties, as well as sales of services made on deferred credit terms. The Group has no significant concentration of credit risk arising from derivative financial instruments. For cash and cash equivalents and deposits with banks, the Group deposits the cash with reputable financial institutions with Moody's long-term obligation ratings ranging from A1 to A3. The Group seeks to control credit risk by setting credit limits and ensuring that the advances are made to third parties and services are made to customers with an appropriate credit history following background checks and investigations of their creditworthiness. The Group also manages its credit risk by performing regular reviews of the ageing profile of trade receivables, damages claim receivables and advances to third parties. The Group considers the risk of material loss in the event of non-performance by a debtor to be unlikely. In addition, certain debtors provide security to the Group in the form of bank and assets guarantees.

At Company level, credit risk arises from amounts due from subsidiaries. The Company also manages its credit risk by performing regular reviews of the ageing profile of damages claim receivables and amounts due from subsidiaries.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping sufficient cash (2014: US$718.6 million and 2013: US$935.4 million) and committed credit lines available (2014: US$431.4 million and 2013: US$417.5 million).

Management also monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents based on expected cash flows to ensure that it will have sufficient cash flows to meet its working capital, loan repayments and covenant requirements. This is generally carried out on a weekly basis at the Group level. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of assets necessary to meet these projections; monitoring the financial position liquidity ratios against internal and external financing requirements; and maintaining debt financing plans.

On 29 August 2012, the Group entered into a loan agreement with a syndicate of financial institutions for a secured term loan and revolving credit facility of US$600 million to refinance the existing facilities, to repay maturing loans and as general corporate and working capital of the Group.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

3. Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

	Group			
	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
2014				
Loans and borrowings	**226,802**	**50,000**	**200,000**	**—**
Trade creditors	**33,271**	**—**	**—**	**—**
Accruals and other liabilities	**82,167**	**—**	**—**	**—**
Amounts due to related companies	**522**	**—**	**—**	**—**
2013				
Loans and borrowings	377,217	154,380	150,000	100,000
Trade creditors	46,952	—	—	—
Accruals and other liabilities	88,020	—	—	—
Amounts due to related companies	821	—	—	—

	Company			
	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000
2014				
Loans and borrowings	**217,285**	**50,000**	**200,000**	**—**
Accruals and other liabilities	**6,471**	**—**	**—**	**—**
Amounts due to subsidiaries	**1,357,435**	**—**	**—**	**—**
2013				
Loans and borrowings	352,494	150,000	150,000	100,000
Accruals and other liabilities	8,760	—	—	—
Amounts due to subsidiaries	1,058,234	—	—	—

Certain short-term financial instruments

The fair values of cash and cash equivalents, trade and other receivables, trade creditors and accrued liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

3. Financial Risk Management (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

Loans and borrowings

The carrying amounts and fair value of the loans and borrowings (including the current portion) are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
Carrying amount	**458,451**	746,434	**448,934**	717,331
Fair value	**458,451**	746,434	**448,934**	717,331

The difference, if any, between the fair value and carrying amount of the loans and borrowings is due to the debt obligations carrying interest rates that are above or below market rates at the measurement dates. The fair value of loans and borrowings is estimated based on rates currently available for the same or similar terms and remaining maturities.

(v) Cash flow interest rate risk

The Group's and the Company's interest-rate risk arises from loans and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps when appropriate. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises loans and borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group had borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly semi-annually), the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

For the year ended 31 December 2014, if the interest rates on variable-rate borrowings had been higher or lower by one percent, profit before taxation would have decreased or increased by the amounts shown below:

	Group	
	2014	2013
	US$'000	US$'000
Decrease/Increase in profit before taxation	**4,000**	4,694

	Company	
	2014	2013
	US$'000	US$'000
Decrease/Increase in profit before taxation	**4,000**	4,500

3. Financial Risk Management (Continued)

(b) Capital risk management

The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less cash and cash equivalents.

The gearing ratio as at 31 December 2014 was as follows:

	Group	
	2014 US$'000	2013 US$'000
Total borrowings (note 28)	**458,451**	746,434
Less: cash and cash equivalents (note 26)	**(718,574)**	(935,413)
Net cash	**(260,123)**	(188,979)
Total equity	**3,240,484**	2,949,186
Gearing ratio	**N/A**	N/A

(c) Fair value estimation

The table below analyses financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value such inputs are categorised into three levels within a fair value hierarchy, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Group			
	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
2014				
Financial assets				
Available-for-sale investments	**213,361**	**12,097**	**—**	**225,458**
Financial liabilities				
Convertible bonds	**—**	**67,285**	**—**	**67,285**
Derivatives financial instrument	**—**	**16,191**	**—**	**16,191**

3. Financial Risk Management (Continued)

(c) Fair value estimation (Continued)

	Group			
	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2013				
Financial assets				
Available-for-sale investments	161,293	—	—	161,293
Financial assets at fair value through profit or loss	41,949	—	—	41,949
Derivatives financial instrument	—	716	—	716
Financial liabilities				
Convertible bonds	—	65,906	—	65,906

The fair value of financial instruments traded in active market is based on quoted market prices at the date of consolidated statemenet of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques recognise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar financial instruments is used
- The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of consolidated statemenet of financial position, with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

(d) Fair value of financial assets and liabilities measured at amortised cost

The fair values of loans and borrowings are as follows:

	Group	
	2014 US$'000	2013 US$'000
Non-current	**237,659**	386,066
Current	**220,792**	360,368
	458,451	746,434

The fair values of trade and other receivables, other current financial assets, cash and cash equivalents, trade creditors and accrued liabilities approximate their carrying amount.

3. Financial Risk Management (Continued)

(e) Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities (fair value hedge); and (ii) hedges of highly probable forecast transactions (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The fair values of the various derivative financial instruments used for hedging purposes are disclosed in note 31. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the consolidated statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. To the extent that the derivative is not effective as a hedge, gains and losses are recognised in the consolidated statement of comprehensive income as gains or losses on derivative financial instruments.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of comprehensive income. Amounts accumulated in equity are recognised in the consolidated statement of comprehensive income as the underlying hedged items are recognised.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of comprehensive income.

(iii) Derivatives that do not qualify for hedge accounting and those not designated as hedges

Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting and those not designated as hedges are recognised immediately in the consolidated statement of comprehensive income.

4. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of assets

The Group reviews its assets, other than goodwill and trade names, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Where an impairment indicator exists, the recoverable amount of the asset is determined based on the valuation performed by external valuers or value-in-use calculations prepared on the basis of management's assumptions and estimates about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the Group takes into consideration assumptions that are mainly based on market condition existing at the dates of consolidated statement of financial position and appropriate market and discount rates. These estimates are regularly compared with actual market data and actual transactions entered into by the Group. The carrying value of the property, plant and equipment as at 31 December 2014 was US$1.1 billion (2013: US$1.0 billion). More details are given in note 14.

(b) Estimated useful lives of property, plant and equipment

In accordance with HKAS 16 'Property, Plant and Equipment', the Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual review of the assumptions made on useful lives to ensure that they continue to be valid.

(c) Impairment of trade receivables

Management reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment is made for the irrecoverable amounts. Management assesses the recoverable amount of each individual trade receivables whether there is objective evidence that the trade receivables are impaired. This evidence may include observable data indicating that there has been an adverse change in the payment status of the debtors and the local economic conditions that correlate with the potential risk of impairment on the transactions. Management reassesses the provision at each date of consolidated statement of financial position.

(d) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(e) Share-based employee compensation

The fair value of share option granted is calculated using the extended binomial options pricing model based on certain highly subjective assumptions. Such subjective assumptions include the volatility of the share price, expected dividend per share, risk-free interest rate and expected option life and accordingly, any changes to the variables adopted may materially affect the estimation of the fair value of an option.

4. Critical Accounting Estimates and Judgements (Continued)

(f) Contingencies

Periodically, the Group assesses potential liabilities related to any lawsuits or claims or any asserted claims brought against the Group including its jointly controlled entities and its associates, including tax, legal and/or environmental matters. Although it is typically very difficult to determine the timing and ultimate outcome of such actions, the Group uses its best judgement to determine if it is probable that it will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In assessing probable losses, the Group takes into consideration estimates of the amount of insurance recoveries, if any. In accordance with HKAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the Group accrues for a liability when it believes a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recoveries, although the Group believes that the estimates and judgements are reasonable, it is possible that certain matters may be resolved for amounts materially different from any estimated provisions or previous disclosures.

(g) Loyalty points fair value assessment

The Group recognises the fair values of the customer loyalty award credits, based on the published redemption terms, historical redemption pattern of customers and fair value of cabins onboard and other goods and services as at year end. The Group reassess the measurement basis used for calculating the fair value of customer loyalty award credits for redemption of cabin onboard on regular basis.

(h) Impairment of available-for-sale investments

The Group follows the guidances of HKFRS 39 'Financial Instruments: Recognition and measurement' to determine when available-for-sale investments is impaired. The determination requires significant judgements. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short term business outlook for the investee, including factors such as industry and sector performance, and operation and financing cash flow.

5. 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 others are identified.

Cruise and cruise related revenues comprise sales of passenger tickets which include air transportation to and from the cruise ship, gaming revenue and revenues from onboard services and other related services, including food and beverage and entertainment. Other operations of the Group comprise hotel operations and others, none of which are of a significant size to be reported separately.

The "Others" turnover in "Others" segment improved from US$12.6 million to US$23.5 million in 2014 mainly due to the increase in dividend income received from available-for-sale investments and revenue generated from aviation operations.

5. Turnover and Segment Information (Continued)

The segment information of the Group for the year ended 31 December 2014 and 2013 are as follows:

2014	Cruise and cruise related activities US$'000	Others US$'000	Total US$'000
Passenger ticket revenue	134,759	—	134,759
Onboard and other revenues	63,622	—	63,622
Gaming revenue	348,915	—	348,915
Others	—	23,514	23,514
Total turnover	547,296	23,514	570,810
Segment results	(36,919)	(4,983)	(41,902)
Share of profit of jointly controlled entities			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
Segment assets	2,394,024	1,477,027	3,871,051
Total assets			3,871,051
Segment liabilities	163,045	4,702	167,747
Loans and borrowings (including current portion)	448,935	9,516	458,451
	611,980	14,218	626,198
Tax liabilities			4,369
Total liabilities			630,567
Capital expenditure	203,126	6,673	209,799
Depreciation and amortisation	82,519	8,241	90,760

5. Turnover and Segment Information (Continued)

2013	Cruise and cruise related activities US$'000	Others US$'000	Total US$'000
Passenger ticket revenue	159,602	—	159,602
Onboard and other revenues	66,859	—	66,859
Gaming revenue	315,706	—	315,706
Others	—	12,562	12,562
Total turnover	542,167	12,562	554,729
Segment results	(33,009)	(2,470)	(35,479)
Share of profit of jointly controlled entities			43,278
Share of profit of associates			31,291
Other expenses, net			(14,903)
Other gains, net			576,254
Finance income			13,219
Finance costs			(47,800)
Profit before taxation			565,860
Taxation			(13,909)
Profit for the year			551,951
Segment assets	2,370,276	1,496,709	3,866,985
Total assets			3,866,985
Segment liabilities	154,835	13,429	168,264
Loans and borrowings (including current portion)	509,650	236,784	746,434
	664,485	250,213	914,698
Tax liabilities			3,101
Total liabilities			917,799
Capital expenditure	103,599	896	104,495
Depreciation and amortisation	81,032	1,341	82,373

No geographical information is shown as the turnover and operating profit of the Group are substantially derived from activities in the Asia-Pacific region.

6. Other Income/(Expenses), Net

	Group	
	2014	2013
	US$'000	US$'000
Gain on disposal of property, plant and equipment	**3,501**	—
Reversal of impairment/(Impairment) of loan receivables from a third party (note (a))	**13,827**	(13,827)
Bad debt recovered from a third party loan	**—**	3,111
Reversal of gain on damages claim from a litigation	**(1,000)**	—
Dividend income on investments	**—**	561
Loss on foreign exchange	**(8,592)**	(6,771)
Other income, net	**688**	2,023
	8,424	(14,903)

Note:

(a) The Group recorded a provision of promissory notes and loan receivables from a third party amounting to US$13.8 million during the year ended 31 December 2013 as the likelihood and timing of recovery of the outstanding balances was uncertain.

The Group, however, recovered full settlement of the promissory notes and loan receivables from the relevant party during the year ended 31 December 2014.

7. Other Gains, Net

	Group	
	2014	2013
	US$'000	US$'000
Gain on dilution of interest in jointly controlled entities (note (a))	**6,332**	219,016
Gain on disposal of equity interest in an associate (note (b))	**152,638**	451,690
Gain on deemed disposal of an associate (note (c))	**123,964**	—
Gain on disposal of available-for-sale investments	**20**	32
Impairment loss on available-for-sale investments (note (d))	**—**	(85,712)
Fair value gain/(loss) on financial assets at fair value through profit or loss (note (e))	**17,998**	(8,772)
	300,952	576,254

7. Other Gains, Net (Continued)

Notes:

(a) In August 2014, , the Group's equity interest in Resorts World Bayshore City Inc. ("RWBCI") was diluted from 50% to approximately 2.5% as a result of the subscription of new common shares of RWBCI by Travellers International Hotel Group, Inc. ("Travellers") and consequently the Group recorded a gain on dilution of interest in a jointly controlled entity of approximately US$6.3 million. Upon completion of the subscription, RWBCI ceased to be a jointly controlled entity of the Group and became an available-for-sale investment of the Group.

In January 2013, the Group's equity interest in Norwegian Cruise Line Holdings Ltd. ("NCLH") was diluted from 50% to approximately 43.4% as a result of the initial public offering ("IPO") of the ordinary shares of NCLH and consequently the Group recorded a gain on deemed disposal of the jointly controlled entity of approximately US$80.4 million. Upon completion of the IPO, NCLH and its subsidiaries ceased to be a jointly controlled entity of the Group and became an associate of the Group.

In November 2013, the Group's effective interest in the common shares of Travellers was diluted from 50% to approximately 44.9% as a result of the IPO of the common shares of Travellers and consequently it recorded a gain on deemed disposal of the jointly controlled entity of approximately US$138.6 million. Upon completion of the IPO, Travellers ceased to be a jointly controlled entity of the Group and became an associate of the Group.

(b) In March 2014, the Group entered into an underwriting agreement to sell 7.5 million ordinary shares in NCLH 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 ordinary shares in NCLH owned by the Group decreased from approximately 31.4% to approximately 27.7%.

In August 2013, the Group entered into an underwriting agreement to sell 11.5 million ordinary shares in NCLH at an offering price of US$29.75 per share. As a result of the share disposal, a disposal gain of approximately US$192.6 million to the Group was recorded and the percentage of ordinary shares in NCLH owned by the Group decreased from approximately 43.4% to approximately 37.7%.

In December 2013, the Group entered into an underwriting agreement to sell 12.65 million ordinary shares in NCLH at an offering price of US$33.25 per share. As a result of the share disposal, a disposal gain of approximately US$259.1 million to the Group was recorded and the percentage of ordinary shares in NCLH owned by the Group decreased from approximately 37.5% to approximately 31.4%.

(c) In November 2014, the Group's equity interest in NCLH was diluted from approximately 28% to approximately 25% 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) The Group completed an assessment of its available-for-sale investments for impairment purposes in December 2013 and determined that the fair value of certain of its equity investments were significantly below its carrying value. Accordingly, for the year ended 31 December 2013, the Group transferred the fair value loss which amounted to US$85.7 million from available-for-sale investment reserve to profit or loss.

(e) 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.

The Group recorded a fair value loss of US$8.8 million during the year ended 31 December 2013, arising from mark-to-market revaluation of certain financial assets.

8. Finance Costs

	Group	
	2014	2013
	US$'000	US$'000
Amortisation of:		
– bank loans arrangement fees and commitment fees	**11,372**	11,209
Interests on:		
– bank loans and others	**14,281**	17,637
– convertible bonds	**6,254**	7,990
– RMB bonds	**5,475**	10,917
Amortised loans arrangement fees written off	**—**	47
Interest capitalised for qualifying assets	**(5,940)**	—
Total finance costs	**31,442**	47,800

9. Profit Before Taxation

Profit before taxation from continuing operations is stated after charging the following:

	Group	
	2014	2013
	US$'000	US$'000
Total depreciation and amortisation analysed into:	**90,760**	82,373
– relating to operating function	**83,445**	74,243
– relating to selling, general and administrative function	**7,315**	8,130
Staff costs (see note 12)	**132,439**	125,262
Fuel costs	**62,967**	67,292
Operating leases – land and buildings	**4,899**	4,443
Auditors' remuneration:		
– audit services	**1,070**	990
– non-audit services	**856**	626
Advertising expenses	**31,921**	43,642

10. Taxation

	Group	
	2014	2013
	US$'000	US$'000
Overseas taxation		
– Current taxation	**5,439**	12,082
– Deferred taxation	**7,792**	1,418
	13,231	13,500
Under/(Over) provision in respect of prior years		
– Current taxation	**2,176**	324
– Deferred taxation	**(1,636)**	85
	13,771	13,909
Deferred taxation charged in respect of temporary differences (see note 32)	**(6,156)**	(1,503)

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 below, 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.

10. Taxation (Continued)

	Group	
	2014 US$'000	2013 US$'000
Profit before taxation	**397,835**	565,860
Tax calculated at domestic tax rates applicable to profit in the respective countries	**(2,238)**	(3,309)
Tax effects of:		
– Income not subject to taxation purposes	**(2,919)**	(481)
– Expenses not deductible for taxation purposes	**4,250**	5,381
– Utilisation of previously unrecognised tax losses and deductible temporary differences	**(197)**	(90)
– Deductible temporary differences not recognised	**14,363**	12,002
– Others	**(28)**	(3)
Under provision in respect of prior years	**540**	409
Total tax expense	**13,771**	13,909

11. Earnings Per Share

Earnings per share is computed as follows:

	Group	
	2014 US$'000	2013 US$'000
BASIC		
Profit attributable to equity owners of the Company	**384,475**	552,389
Earnings attributable to equity owners of the Company for the year	**384,475**	552,389
Weighted average outstanding ordinary shares, in thousands	**8,034,986**	7,890,631
Basic earnings per share for the year in US cents	**4.79**	7.00
DILUTED		
Profit attributable to equity owners of the Company for the year	**384,475**	552,389
Interest expense on convertible bonds	**6,254**	7,990
Earnings used to determine diluted earnings per share	**390,729**	560,379
Weighted average outstanding ordinary shares, in thousands	**8,034,986**	7,890,631
Effect of dilutive potential ordinary shares, in thousands :		
– options	**3,869**	10,017
– convertible bonds	**445,796**	581,931
Weighted average outstanding ordinary shares after assuming dilution, in thousands	**8,484,651**	8,482,579
Diluted earnings per share for the year in US cents	**4.61**	6.61

12. Staff Costs

Staff costs include employee salaries and other employee related benefits but excluding directors' remuneration.

	Group	
	2014 US$'000	2013 US$'000
Wages and salaries	**128,044**	121,177
Termination benefits	**566**	324
Social security costs	**788**	743
Non-cash share option expenses	**461**	896
Post-employment benefits	**2,580**	2,122
	132,439	125,262

13. Emoluments of Directors and Senior Management

The aggregate amounts of emoluments of the Directors of the Company for the year ended 31 December 2014 are set out as follows:

Name of directors	**Fees US$'000**	**Salary US$'000**	**Discretionary bonus US$'000**	**Other benefits[(a)] US$'000**	**Contribution to provident fund US$'000**	**Subtotal US$'000**	**Non-cash share option expenses US$'000**	**Total US$'000**
2014								
Tan Sri Lim Kok Thay	**50**	**1,638**	**683**	**8**	**4**	**2,383**	**—**	**2,383**
Mr. Alan Howard Smith	**70**	**—**	**—**	**—**	**—**	**70**	**—**	**70**
Mr. Heah Sieu Lay	**62**	**—**	**—**	**—**	**—**	**62**	**—**	**62**
Mr. Lam Wai Hon, Ambrose	**66**	**—**	**—**	**—**	**—**	**66**	**—**	**66**
Mr. Lim Keong Hui	**50**	**204**	**87**	**6**	**2**	**349**	**—**	**349**
Mr. Justin Tan Wah Joo	**18**	**—**	**—**	**—**	**—**	**18**	**—**	**18**
	316	**1,842**	**770**	**14**	**6**	**2,948**	**—**	**2,948**

Name of directors	Fees US$'000	Salary US$'000	Discretionary bonus US$'000	Other benefits[(a)] US$'000	Contribution to provident fund US$'000	Subtotal US$'000	Non-cash share option expenses US$'000	Total US$'000
2013								
Tan Sri Lim Kok Thay	50	1,639	1,229	4	8	2,930	19	2,949
Mr. Alan Howard Smith	70	—	—	—	—	70	—	70
Mr. Heah Sieu Lay	62	—	—	—	—	62	—	62
Mr. Lam Wai Hon, Ambrose	33	—	—	—	—	33	—	33
Mr. Lim Keong Hui	29	126	95	2	6	258	—	258
Mr. Lim Lay Leng	34	—	—	—	—	34	—	34
Mr. Au Fook Yew	26	—	—	—	—	26	—	26
Mr. Tan Boon Seng	1	—	—	—	—	1	—	1
	305	1,765	1,324	6	14	3,414	19	3,433

Note:

(a) Other benefits include housing allowances, other allowances and benefits in kind

13. Emoluments of Directors and Senior Management (Continued)

Details of the emoluments of the five highest paid individuals in the Group are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Fees	**50**	50
Basic salaries, discretionary bonuses, housing allowances, other allowances and benefits in kind	**5,570**	7,798
Contributions to provident fund	**23**	967
Non-cash share option expenses	**25**	69
	5,668	8,884
Number of Directors included in the five highest paid individuals	**1**	1

The emoluments of the 5 individuals fall within the following bands:

	Number of individuals	
	2014	2013
HK$3,000,001 – HK$10,000,000	**3**	2
HK$10,000,001 – HK$15,000,000	**1**	1
HK$15,000,001 – HK$20,000,000	**1**	—
HK$20,000,001 – HK$25,000,000	**—**	2

The emoluments of the members of senior management fall within the following bands:

	Number of members	
	2014	2013
HK$2,000,001 – HK$5,000,000	**5**	2
HK$5,000,001 – HK$8,000,000	**—**	3
HK$20,000,001 – HK$23,000,000	**—**	1

14. Property, Plant and Equipment

Property, plant and equipment consists of the following:

Group

	Cruise ships, passenger ferry and ship improvements US$'000	Leasehold land, land, jetties, buildings and improvements US$'000	Equipment, yacht, boat equipment and motor vehicles US$'000	Cruise ships, equipment and other construction in progress US$'000	Aircrafts US$'000	Total US$'000
Cost						
At 1 January 2014	1,264,101	325,679	261,994	8,441	47,803	1,908,018
Currency translation differences	—	(1,764)	(1,311)	—	—	(3,075)
Additions	21,102	554	29,086	159,000	57	209,799
Acquisition of a subsidiary	—	—	4,839	—	—	4,839
Transfer from/(to) related companies	—	7	(20)	—	—	(13)
Write off	(1,282)	(183)	(1,971)	—	—	(3,436)
Disposals	—	(52)	(47)	—	(18,488)	(18,587)
Reclassification	—	1,752	196	(1,948)	—	—
Adjustments to drydocking	(285)	—	—	—	—	(285)
At 31 December 2014	1,283,636	325,993	292,766	165,493	29,372	2,097,260
Accumulated depreciation and impairment loss						
At 1 January 2014	(642,456)	(81,334)	(139,412)	—	(2,167)	(865,369)
Currency translation differences	—	484	1,068	—	—	1,552
Transfer (from)/to related companies	—	4	4	—	—	8
Charge for the year	(64,261)	(9,080)	(15,482)	—	(1,903)	(90,726)
Write off	137	108	1,963	—	—	2,208
Disposals	—	32	38	—	1,282	1,352
At 31 December 2014	(706,580)	(89,786)	(151,821)	—	(2,788)	(950,975)
Net book value						
At 31 December 2014	577,056	236,207	140,945	165,493	26,584	1,146,285

At 31 December 2014, the net book value of property, plant and equipment pledged as security for the Group's long-term bank loans amounted to US$0.9 billion (2013: US$1.0 billion)

During the year, the Group has capitalised borrowing costs amounting to US$5.9 million (2013: Nil) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 6.63%.

14. Property, Plant and Equipment (Continued)

Group

	Cruise ships, passenger ferry and ship improvements US$'000	Leasehold land, land, jetties, buildings and improvements US$'000	Equipment and motor vehicles US$'000	Equipment and other construction in progress US$'000	Aircrafts US$'000	Total US$'000
Cost						
At 1 January 2013	1,187,604	325,821	214,120	63,848	19,300	1,810,693
Currency translation differences	—	(1,241)	(992)	—	—	(2,233)
Additions	25,150	1,262	49,066	514	28,503	104,495
Acquisition of a subsidiary	—	—	6	—	—	6
Write off	(10,655)	(154)	(229)	—	—	(11,038)
Reclassification	55,907	(9)	23	(55,921)	—	—
Adjustments to drydocking	6,095	—	—	—	—	6,095
At 31 December 2013	1,264,101	325,679	261,994	8,441	47,803	1,908,018
Accumulated depreciation and impairment loss						
At 1 January 2013	(589,468)	(78,755)	(125,883)	—	(812)	(794,918)
Currency translation differences	—	301	843	—	—	1,144
Transfer (from)/to related companies	6	—	(6)	—	—	—
Charge for the year	(63,494)	(2,905)	(14,586)	—	(1,355)	(82,340)
Write off	10,500	25	220	—	—	10,745
At 31 December 2013	(642,456)	(81,334)	(139,412)	—	(2,167)	(865,369)
Net book value						
At 31 December 2013	621,646	244,345	122,582	8,441	45,635	1,042,649

14. Property, Plant and Equipment (Continued)

Company

	Project in progress, office equipment and motor vehicles	
	2014	2013
	US$'000	US$'000
Cost		
At 1 January	**246**	245
Additions	**554**	1
At 31 December	**800**	246
Accumulated depreciation		
At 1 January	**(114)**	(69)
Charge for the year	**(39)**	(45)
At 31 December	**(153)**	(114)
Net book amount		
At 31 December	**647**	132

15. Land Use Right

The Group's interest in land use right represents prepaid operating lease payments which are analysed as follows:

	Group	
	2014	2013
	US$'000	US$'000
Hong Kong:	**—**	—
Outside Hong Kong:		
Medium leasehold (less than 50 years but not less than 10 years)	**4,278**	1,280

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**1,280**	1,281
Additions during the year	**3,068**	—
Amortisation of prepaid operating lease for the year	**(34)**	(33)
Currency translation differences	**(36)**	32
At 31 December	**4,278**	1,280

16. Interests in Subsidiaries

	Company	
	2014	2013
	US$'000	US$'000
Unlisted shares	**1,838,317**	1,838,317
Less: Impairment loss in a subsidiary	**—**	(549,981)
Add: Reversal of previously recognised impairment loss	**—**	549,981
	1,838,317	1,838,317

A list of principal subsidiaries is included in note 38 to the consolidated financial statements.

17. Interests in Jointly Controlled Entities

The Group's interests in jointly controlled entities is as follows:

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**27,977**	1,367,312
Equity investment in a jointly controlled entity	**118,309**	2,260
Additions through acquisition of EXA	**3,546**	—
Acquisition of common shares and preferred shares in jointly controlled entities	**630**	17,730
Refund of capital from a jointly controlled entity	**(10,223)**	—
Release of unpaid capital injection from a jointly controlled entity	**(6,816)**	—
Share of profit of jointly controlled entities	**1,832**	43,541
Gain on deemed disposal of jointly controlled entities	**—**	220,180
Transfer to interest in associates (see note 18)	**—**	(1,528,025)
Dividends	**(4,606)**	(74,393)
Currency translation differences	**162**	(20,628)
Transfer to available-for-sale investments	**(3,105)**	—
At 31 December	**127,706**	27,977

Set out below is a jointly controlled entity of the Group as at 31 December 2014, which, in the opinion of the directors, is material to the Group. The jointly controlled entity as listed below has share capital consisting of ordinary shares, which are held directly by the Group.

17. Interests in Jointly Controlled Entities (Continued)

Nature of interests in the jointly controlled entity as at 31 December 2014 and 2013 is as follows:-

			% of ownership interest			
Name	Country of incorporation	Principal country of operations	**2014**	2013	Nature of relationship	Measurement method
Magical Gains Holdings Limited ("Magical Gains")	British Virgin Islands	Republic of Korea	**50.0**	N/A	Note 1	Equity

Note 1: Magical Gains is a company incorporated in the British Virgin Islands and an investment holding company. Other than Grand Express Korea Co., Ltd. ("Grand Korea"), the other subsidiaries of Magical Gains are investment holding companies.

Grand Korea is a company incorporated under the laws of the Republic of Korea and is principally engaged in operating the casino business. Grand Korea is operating the casino business pursuant to a casino licence issued under the Tourism Promotion Act, which is the framework law governing the casino industry in South Korea, and is regulated by the Ministry of Culture and the government of the Jeju Province in the Republic of Korea.

Magical Gains is a private company and there is no quoted market price available for its shares.

Summarised financial information for a jointly controlled entity

Set out below are the summarised financial information for Magical Gains which are accounted for using the equity method.

Summarised statement of financial position

	Magical Gains	
	2014 US$'000	2013 US$'000
Current		
Cash and cash equivalents	**108,692**	—
Other current assets (excluding cash)	**9,093**	—
Total current assets	**117,785**	—
Financial liabilities (excluding trade creditors)	**(237,085)**	—
Other current liabilities (including trade creditors)	**—**	—
Total current liabilities	**(237,085)**	—
Non-current		
Assets	**113,375**	—
Financial liabilities	**(935)**	—
Other liabilities	**—**	—
Total non-current liabilities	**(935)**	—
Net liabilities	**(6,860)**	—

17. Interests in Jointly Controlled Entities (Continued)

Summarised statement of comprehensive income

The Group has not shared any profit or loss from Magical Gains for the year ended 2014 since the date of acquisition.

Reconciliation of summarised financial information presented to the carrying amount of its interest in the jointly controlled entity

	Magical Gains	
	2014 **US$'000**	2013 US$'000
Net assets as at 1 January	**—**	—
Net loss for the year	**(2,633)**	—
Charges to additional paid in capital	**5,349**	—
Currency translation differences	**(9,576)**	—
Net liabilities as at 31 December	**(6,860)**	—
Interest in the jointly controlled entity @ 50.0%	**(3,430)**	—
Carrying amount	**118,309**	—
Translation differences on the consolidation level	**—**	—
Advances to Magical Gains	**(112,993)**	—
Goodwill from acquisition	**(8,746)**	—
Carrying amount	**(3,430)**	—

18. Interests in Associates

The Group's interests in associates is as follows:

	Group	
	2014 **US$'000**	2013 US$'000
At 1 January	**1,269,261**	115
Acquisition of an associate during the year	**—**	61
Additions through acquisition of EXA	**9,121**	—
Transfer from interests in jointly controlled entities (see note 17)	**—**	1,528,025
Share of profit of associates	**147,298**	31,289
Share of reserves of an associate	**(47,746)**	3,815
Disposal of equity interest of an associate	**(93,795)**	(282,386)
Gain on deemed disposal of an associate	**126,340**	—
Dividends	**(15,855)**	—
Currency translation differences	**(3,755)**	(11,945)
Others	**3,410**	287
At 31 December	**1,394,279**	1,269,261

Set out below are the associates of the Group as at 31 December 2014, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting of ordinary shares and preferred shares, which are held directly by the Group.

Nature of interests in associates as at 31 December 2014 and 2013 is as follows:-

			% of ownership interest			
Name	**Country of incorporation**	**Principal country of operations**	**2014**	**2013**	**Nature of relationship**	**Measurement method**
NCLH	Bermuda	The United States of America	**25.0***	31.4	Note 1	Equity
Travellers	Republic of the Philippines	Republic of the Philippines	**44.9**	44.9	Note 2	Equity

Note 1: NCLH, a leading global cruise line operator, operates a fleet of 21 ships under the brands of "Norwegian Cruise Line", "Oceania Cruises" and "Regent Seven Seas Cruises". NCLH is a strategic partnership for the Group, providing access to new customers and markets in North America, the Mediterranean, the Baltic, Central America, Bermuda and the Caribbean.

Note 2: Travellers operates Resorts World Manila, the Philippines' first one-stop, non-stop vacation spot for top-notch entertainment and world class leisure alternatives. Resorts World Manila is the Group's first foray in a land-based attraction.

* In March 2014, the equity interest in NCLH owned by the Group has decreased from 31.4% to 27.7% as a result of share disposal.

In November 2014, the Group's equity interest in NCLH was further diluted from 28.0% to 25.0% following the completion of the issuance of new shares by NCLH to acquire Prestige.

18. Interests in Associates (Continued)

As at 31 December 2014, the fair value of the Group's interest in NCLH, which is listed on the NASDAQ Global Select Market, was approximately US$2,656.9 million and the carrying amount of the Group's interest was approximately US$857.4 million.

As at 31 December 2014, the fair value of the Group's interest in Travellers, which is listed on The Philippines Stock Exchange, Inc, was approximately US$1,293.6 million and the carrying amount of the Group's interest was approximately US$527.7 million.

Summarised financial information for associates

Set out below are the summarised financial information for NCLH and Travellers which are accounted for using the equity method.

Summarised statement of financial position

	NCLH		Travellers	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Current				
Cash and cash equivalents	**84,824**	56,467	**398,198**	579,949
Other current assets (excluding cash)	**177,270**	115,797	**116,462**	83,164
Total current assets	**262,094**	172,264	**514,660**	663,113
Financial liabilities (excluding trade creditors)	**(576,947)**	(286,575)	**—**	(36,074)
Other current liabilities (including trade creditors)	**(1,509,652)**	(788,913)	**(227,880)**	(197,538)
Total current liabilities	**(2,086,599)**	(1,075,488)	**(227,880)**	(233,612)
Non-current				
Assets	**11,227,423**	6,400,304	**909,897**	714,466
Financial liabilities	**(5,607,157)**	(2,841,214)	**(318,796)**	(361,433)
Other liabilities	**(360,508)**	(103,010)	**(5,922)**	(30,408)
Total non-current liabilities	**(5,967,665)**	(2,944,224)	**(324,718)**	(391,841)
Net assets	**3,435,253**	2,552,856	**871,959**	752,126

18. Interests in Associates (Continued)

Summarised statement of comprehensive income

	NCLH		Travellers	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Revenue	**3,125,881**	2,570,294	**710,174**	91,778
Depreciation and amortisation	**(267,443)**	(205,822)	**(34,126)**	(7,162)
Interest income	**20**	44	**(4,278)**	(2,505)
Interest expense	**(151,647)**	(282,519)	**(22,342)**	(18,934)
Profit/(Loss) before taxation from continuing operations	**335,184**	123,711	**124,214**	(15,630)
Taxation	**2,267**	(11,802)	**(1,700)**	(182)
Profit/(Loss) for the year from continuing operations	**337,451**	111,909	**122,514**	(15,812)
Non-controlling interest	**—**	1,172	**—**	—
Other comprehensive (loss)/income	**(227,393)**	657	**(166)**	791
Total comprehensive income/(loss)	**110,058**	111,394	**122,348**	(15,021)
Dividends received from associates	**—**	—	**15,854**	—

The information above reflects the amounts presented in financial information of the associates adjusted for differences in accounting policies between the Group and the associates.

18. Interests in Associates (Continued)

Reconciliation of summarised financial information

	NCLH		Travellers	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Net assets as at 1 January	**2,552,856**	—	**752,126**	—
Transfer from interests in jointly controlled entities	**—**	1,931,351	**—**	382,566
Profit/(Loss) for the year	**337,451**	111,909	**122,514**	(15,812)
Other comprehensive income	**(227,393)**	657	**(166)**	791
Transaction with affiliates, net	**(59)**	11,952	**—**	—
Share based compensation	**14,617**	23,074	**—**	—
IPO proceeds	**—**	473,913	**—**	—
Charges to additional paid in capital	**—**	—	**—**	378,163
Issuance of treasury shares from IPO	**—**	—	**—**	3,593
Issuance of ordinary shares on acquisition of Prestige	**834,142**	—	**—**	—
Treasury stock	**(82,000)**	—	**—**	—
Proceeds from the exercise of share options	**5,857**	—	**—**	—
NCLH partnership tax distributions	**(218)**	—	**—**	—
Currency translation differences	**—**	—	**(2,515)**	2,825
Net assets as at 31 December	**3,435,253**	2,552,856	**871,959**	752,126
Interest in associates @ 25.0%/44.9%	**858,813**	801,597	**391,510**	337,705
Carrying amount	**857,382**	774,172	**527,672**	494,895
Fair value adjustment from acquisition	**—**	—	**(132,394)**	(139,600)
Translation differences on the consolidation level	**—**	—	**(3,768)**	(17,590)
Fair value adjustments on the fixed assets held by NCLH	**13,463**	16,909	**—**	—
Unrealised gain arising from the sales of fixed asset to NCLH	**7,290**	7,434	**—**	—
Notional goodwill	**(13,782)**	—	**—**	—
Others	**(5,540)**	3,082	**—**	—
Carrying amount	**858,813**	801,597	**391,510**	337,705

19. Available-For-Sale Investments

	Group	
	2014	2013
	US$'000	US$'000
At 1 January	**161,293**	222,259
Exchange difference	**(18,914)**	(32,317)
Additions	**12,907**	32,363
Disposals	**(4,740)**	(15,819)
Fair value gains/(losses) recognised in equity	**75,722**	(45,193)
At 31 December	**225,458**	161,293
Less: non-current portion	**(209,943)**	(157,090)
Current portion	**15,515**	4,203

Available-for-sale investments include the following:

	Group	
	2014	2013
	US$'000	US$'000
Listed investments:		
Equity securities – listed outside Hong Kong	**197,846**	140,546
Debt securities – listed outside Hong Kong	**6,584**	11,244
Debt securities – listed in Hong Kong	**8,931**	9,503
Unlisted investments:		
Equity securities	**12,097**	—
	225,458	161,293

Available-for-sale investments are denominated in the following currencies:

	Group	
	2014	2013
	US$'000	US$'000
Australian dollar	**194,276**	137,598
Chinese Renminbi	**15,515**	20,747
Philippines Peso	**9,401**	—
Euro	**2,696**	—
Sri Lankan Rupee	**3,570**	2,948
	225,458	161,293

20. Properties Under Development

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Properties under development	**17,820**	—	**—**	—

At 31 December 2014, properties under development amounting to US$17.8 million was scheduled for completion within twelve months.

21. Consumable Inventories

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Food and beverages	**3,549**	4,102	**—**	—
Supplies and consumables	**4,167**	6,675	**—**	928
Retail stocks	**10,267**	11,253	**—**	—
	17,983	22,030	**—**	928

22. Trade Receivables

	Group	
	2014 US$'000	2013 US$'000
Trade receivables	**216,904**	241,727
Less: Provisions	**(136,838)**	(102,365)
	80,066	139,362

The ageing analysis of the trade receivables is as follows:

	Group	
	2014 US$'000	2013 US$'000
Current to 30 days	**57,693**	100,179
31 days to 60 days	**708**	1,406
61 days to 120 days	**10,620**	3,747
121 days to 180 days	**4,581**	5,832
181 days to 360 days	**2,171**	21,681
Over 360 days	**4,293**	6,517
	80,066	139,362

22. Trade Receivables (Continued)

Credit terms generally range from payment in advance to 45 days credit (31 December 2013: payment in advance to 45 days).

Receivables amounting to US$8.7 million (2013: US$39.6 million) are secured by the underlying pledged securities and bear interest ranging from 5.0% to 6.5% (2013: 5% to 8.0%) per annum.

The carrying amounts of the Group's trade receivables after provision are denominated in the following currencies:

	Group	
	2014	2013
	US$'000	US$'000
Hong Kong dollar	**29,752**	71,116
US dollar	**14,833**	35,112
Singapore dollar	**18,862**	22,170
Malaysia Ringgit	**16,323**	8,935
Chinese Renminbi	**212**	1,999
Other currencies	**84**	30
	80,066	139,362

The Group has provided US$39.7million for trade receivables in 2014 (2013: US$24.9 million), and US$5.2 million was recovered during the year (2013: US$10.3 million). No trade receivable was written off as uncollectable (2013: US$1.1 million).

The aged debt profile of trade receivables is reviewed on a regular basis to ensure that the trade receivables are collectible and follow up actions are promptly carried out if the agreed credit periods have been extended. Overdue balances are reviewed regularly by senior management. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. As at 31 December 2014, the trade receivables that were past due but not provided was US$22.4 million (2013: US$39.2 million). No provision has been made on this amount as the Group is closely monitoring these receivables and is confident of their eventual recovery.

The maximum exposure to credit risk at the reporting date is the fair value of the trade receivables mentioned above.

23. Other Assets, Prepaid Expenses and Other Receivables

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Other debtors, deposits and prepayments	**41,090**	41,298	**740**	2,907
Damages claim receivables	**—**	4,500	**—**	4,500
Loans to third parties	**8,328**	5,112	**—**	—
Receivable from trade agent on disposal of NCLH shares	**—**	53,079	**—**	—
Receivable from an associate relating to disposal of m.v. Norwegian Sky (note (a))	**55,565**	92,608	**—**	—
Dividend receivable from an associate	**—**	10,933	**—**	—
Loan and prepayment to a jointly controlled entity (note (b))	**18,888**	—	**—**	—
Amount due from an associate	**1,677**	656	**1,677**	656
	125,548	208,186	**2,417**	8,063
Less: non-current portion	**(35,226)**	(60,448)	**—**	(2,000)
Current portion	**90,322**	147,738	**2,417**	6,063

Notes:

(a) Out of the total consideration US$259.3 million in relation to the disposal of m.v. Norwegian Sky, US$203.7 million has been received by the Group as at 31 December 2014. The remaining US$55.6 million will be settled in 5 equal principal installment payments plus interest at 1.25% per annum up until 31 May 2016. Respective receivables from an associate of US$18.6 million (non-current portion) and US$37.0 million (current portion) have been recognised as at 31 December 2014.

(b) The loan granted to a jointly controlled entity includes a Euro 0.5 million (US$0.7 million) unsecured, interest free investor loan and a Euro 8.2 million (US$10.7 million) facility agreement, which is unsecured and subject to interest at EURIBOR plus 5.5% per annum, to Wider S.R.L. for construction of yacht.

24. Financial Assets at Fair Value Through Profit or Loss

	Group	
	2014 US$'000	2013 US$'000
Cash-settled total return equity swaps	**—**	41,949

25. Amounts Due From/(To) Subsidiaries

Amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand.

26. Cash and Cash Equivalents

Deposits, cash and bank balances consist of the following:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Deposits with banks	**383,847**	585,393	**30,252**	258,845
Cash and bank balances	**334,727**	350,020	**5,175**	18,473
	718,574	935,413	**35,427**	277,318

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	Group	
	2014 US$'000	2013 US$'000
Deposits, cash and bank balances	**718,574**	935,413
Bank overdraft (note 28)	**—**	(19,350)
Cash and cash equivalents	**718,574**	916,063

The cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
US dollar	**243,896**	462,647	**4,608**	48,379
Singapore dollar	**109,466**	34,703	**28**	30
Hong Kong dollar	**107,127**	96,100	**273**	56
Malaysian Ringgit	**64,048**	24,540	**—**	—
Australian dollar	**67,131**	3,445	**—**	—
Chinese Renminbi	**46,557**	252,898	**30,283**	228,851
Philippines Peso	**34,503**	25,303	**—**	—
Indian Rupee	**21,971**	17,458	**—**	—
New Taiwan dollar	**12,861**	14,223	**—**	—
Euro	**7,042**	1,024	**235**	—
Others	**3,972**	3,072	**—**	2
	718,574	935,413	**35,427**	277,318

26. Cash and Cash Equivalents (Continued)

The effective interest rate on deposits with banks and its average maturity days are as follows:

	Group		Company	
	2014	2013	**2014**	2013
Effective interest rate per annum	**1.9%**	2.2%	**4.1%**	3.3%
Average maturity days	**96 days**	112 days	**147 days**	143 days

27. Share Capital

	Authorised share capital			
	Preference shares of US$0.10 each		Ordinary shares of US$0.10 each	
	No. of shares	US$'000	No. of shares	US$'000
At 1 January 2014 and 31 December 2014	**10,000**	**1**	**19,999,990,000**	**1,999,999**
At 1 January 2013 and 31 December 2013	10,000	1	19,999,990,000	1,999,999

	Issued and fully paid ordinary shares of US$0.10 each	
	No. of shares	US$'000
At 1 January 2014	**8,033,787,745**	**803,378**
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	**2,905,998**	**291**
At 31 December 2014	**8,036,693,743**	**803,669**
At 1 January 2013	7,772,490,872	777,249
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	21,252,626	2,125
Issue of ordinary shares upon conversion of convertible bonds	240,044,247	24,004
At 31 December 2013	8,033,787,745	803,378

The net proceeds from the issuance of ordinary shares pursuant to share options have been used for general corporate and working capital purposes of the Group. As at 31 December 2014, there were no unapplied proceeds from this issuance of shares.

28. Loans and Borrowings

Loans and borrowings consist of the following:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
SECURED:				
US$600 million secured term loan and revolving credit facility	**284,784**	331,570	**284,784**	331,570
US$300 million secured term loan and revolving credit facility	**96,865**	92,823	**96,865**	92,823
RMB12.5 million entrustment loans (i)	**4,033**	4,133	**—**	—
RMB14 million entrustment loan (i)	**2,258**	2,314	**—**	—
RMB10 million entrustment loans (i)	**3,226**	3,306	**—**	—
UNSECURED:				
Convertible bonds (see note 29)	**67,285**	65,906	**67,285**	65,906
RMB1.38 billion 3.95% bonds (see note 30)	**—**	227,032	**—**	227,032
Bank overdraft	**—**	19,350	**—**	—
Total liabilities	**458,451**	746,434	**448,934**	717,331
Less: Current portion	**(220,792)**	(360,368)	**(211,275)**	(335,645)
Non-current portion	**237,659**	386,066	**237,659**	381,686

Note:

(i) The entrustment loans are equivalent to the amount of restricted cash.

The carrying amounts of the loans and borrowings are denominated in the following currencies:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
US dollars	**448,934**	490,299	**448,934**	490,299
Chinese Renminbi	**9,517**	236,785	**—**	227,032
Hong Kong dollars	**—**	19,350	**—**	—
	458,451	746,434	**448,934**	717,331

As at 31 December 2014, the outstanding balances of loans and borrowings denominated in Renminbi was approximately RMB0.06 billion (2013: RMB1.44 billion).

As at 31 December 2014, the net carrying amount of the Group's loans and borrowings, including interest accrued and net of transaction costs incurred would be US$0.46 billion (2013: US$0.75 billion).

28. Loans and Borrowings (Continued)

As at 31 December 2014, the net carrying amount of the Group's loans and borrowings in Hong Kong dollars, was nil (2013: approximately HK$0.15 billion).

As at 31 December 2014, the net carrying amount of the Company's loans and borrowings, including interest accrued and net of transaction costs incurred would be US$0.45 billion (2013: US$0.72 billion).

As at 31 December 2014, approximately 13% of the Group's loans and borrowings was fixed rated (2013: 37%) and 87% was variable rated (2013: 63%).

The following is a schedule of repayments of the loans and borrowings in respect of the outstanding borrowings as at 31 December 2014:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Within one year	**220,792**	360,368	**211,275**	335,645
In the second year	**46,778**	148,055	**46,778**	143,675
In the third to fifth years	**190,881**	140,352	**190,881**	140,352
After the fifth year	**—**	97,659	**—**	97,659
	458,451	746,434	**448,934**	717,331

The exposure of the Group's and Company's borrowings to interest rate changes and the contractual repricing dates at the dates of consolidated statement of financial position are as follows:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
6 months or less	**381,649**	443,743	**381,649**	424,393

The secured loans and borrowings were secured by legal charges over assets including fixed and floating charges of US$1,558.5 million (2013: US$1,530.5 million).

The weighted average interest rates per annum at the date of consolidated statement of financial position were as follows:

	Group		Company	
	2014	2013	**2014**	2013
Bank borrowings in US dollars	**3.3%**	3.3%	**3.3%**	3.3%
Bank borrowing in Renminbi	**0.4%**	0.4%	**—**	—
Bank overdraft in Hong Kong dollars	**—**	1.7%	**—**	—
Convertible bonds	**9.4%**	9.4%	**9.4%**	9.4%
RMB1.38 billion 3.95% bonds	**—**	4.9%	**—**	4.9%

29. Convertible Bonds

US$150 million 7.5% unsecured Convertible Bonds due 2016

In August 2009, the Company issued US$150 million 7.5% Convertible Bonds (the "Bonds due 2016") due in August 2016. The issue price of the Bonds due 2016 was 100% of their principal amount. The Bonds due 2016 carried interest at the rate of 7.5% per annum payable semi-annually in arrears. Subject to certain conditions, the Bonds due 2016 carried a right of conversion into fully-paid ordinary shares of the Company at an initial conversion price of HK$1.13 (US$0.15 based on a fixed rate of exchange applicable on conversion of the Bonds due 2016 of HK$7.75 = US$1.00) per share, subject to adjustments under certain specified circumstances.

On or at any time after 20 August 2014, the Company may, subject to satisfaction of certain conditions, redeem all or a portion of the Bonds due 2016 at their Early Redemption Amount (as defined in the Terms and Conditions of the Bonds due 2016) on a semi-annual basis for the Bondholder plus any accrued interest provided that the closing price of the Company's ordinary shares for a defined duration of time is at least 130% of the conversion price in effect on the relevant trading day. In addition, if at any time the aggregate principal amount of the Bonds due 2016 outstanding is less than 10% of US$150 million, the Company shall have the option to redeem such outstanding Bonds due 2016 in whole but not in part at the Early Redemption Amount plus any accrued but unpaid interest.

The Bonds due 2016 may be redeemed, at the option of the bondholders, in the event of a Change in Control or Delisting (as defined in the Terms and Conditions of the Bonds due 2016), at the Early Redemption Amount together with any accrued but unpaid interest.

Unless previously converted, redeemed or purchased and cancelled as set out in the Terms and Conditions of the Bonds due 2016, the Bonds due 2016 would be redeemed on 20 August 2016 at 100% of the outstanding principal amount thereof, plus any accrued but unpaid interest.

Detailed terms and conditions of the Bonds due 2016 are constituted by the deed of covenants dated 20 August 2009 issued by the Company in favour of the Bondholders.

The analysis of the Bonds due 2016 recorded in the statement of financial position is as follows:

	Group/Company	
	2014 **US$'000**	2013 US$'000
Face value of the Bonds due 2016 issued on 20 August 2009	**150,000**	150,000
Issuance costs	**(4,000)**	(4,000)
Net proceeds	**146,000**	146,000
Equity component transferred to the share premium	**(5,039)**	(5,039)
Remaining equity component	**(3,854)**	(3,854)
Equity component	**(8,893)**	(8,893)
Liability component on initial recognition	**137,107**	137,107
Interest accrued as at 1 January	**10,743**	8,941
Interest expense for the year	**6,254**	7,990
Interest paid during the year	**(4,875)**	(6,188)
Conversion of the Bonds to ordinary shares and share premium	**(81,944)**	(81,944)
Liability component	**67,285**	65,906

As at 31 December 2014 out of the US$150 million Bonds due 2016, US$85 million had been converted into ordinary shares in the Company and none of the Bonds due 2016 were redeemed or purchased by the Company.

30. RMB1,380,000,000 3.95% Bonds

In June 2011, the Company issued RMB1.38 billion 3.95% Bonds (the "RMB Bonds due 2014") due in June 2014. The issue price of the RMB Bonds due 2014 was 100% of their principal amount. The RMB Bonds due 2014 carry interest at the rate of 3.95% per annum payable semi-annually in arrears.

The RMB Bonds due 2014 mature on the Interest Payment Date (as defined in the Terms and Conditions of the RMB Bonds due 2014) and will be redeemed on such date at their principal amount. The RMB Bonds due 2014 are subject to redemption, in whole but not in part, at their principal amount, together with accrued interest, at the option of the Company at any time in the event of certain changes affecting taxes of Bermuda.

All the outstanding RMB Bonds due 2014 had been redeemed in June 2014. Detailed terms and conditions of the RMB Bonds due 2014 are constituted by the deed of covenants dated 30 June 2011 issued by the Company in favour of the Bondholders.

The analysis of the RMB Bonds due 2014 recorded in the statement of financial position is as follows:

	Group/Company	
	2014 US$'000	2013 US$'000
Face value of the Bonds due 2014 issued on 30 June 2011	**212,934**	212,934
Issuance costs	**(5,800)**	(5,800)
Net proceeds	**207,134**	207,134
Interest accrued as at 1 January	**4,835**	2,815
Interest expense for the year	**5,475**	10,917
Interest paid during the year	**(10,310)**	(8,897)
Exchange differences	**13,804**	15,063
Redemption during the year	**(220,938)**	—
Balance as at 31 December	**—**	227,032

As at 31 December 2014, all the outstanding RMB Bonds due 2014 were redeemed by the Company.

31. Derivative Financial Instruments

The fair values of financial instruments including derivatives are determined based on a variety of factors and assumptions. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realised as at the date of consolidated statement of financial position or that will be realised in the future and do not include expenses that could be incurred in an actual sale or settlement.

The Group entered into fuel swap agreements with an aggregate notional amount of US$47.8 million (2013: US$29.5 million), to pay fixed price for fuel. As at 31 December 2014, the outstanding notional amount was approximately US$35.5 million (US$26.8 million), maturing through December 2015 and the estimated fair market value of the fuel swap was approximately US$16.2 million, which was unfavourable to the Group and the Company (2013: US$0.7 million which was favourable to the Group and the Company). This amount has been recorded within the current portion of the derivative financial instruments in the consolidated and Company statements of financial position. These fuel swaps have been designated and qualified as cash flow hedges. The changes in the fair value of these fuel swaps are included as a separate component of reserves and are recognised in the profit or loss when the underlying hedged items are recognised.

The fair values of the above instruments have been estimated using published market prices or quotes from reputable financial institutions.

32. Deferred Tax

	Group Excess of capital allowances over depreciation	
	2014 US$'000	2013 US$'000
Deferred tax liabilities		
The movements in deferred tax liabilities are as follows:		
At 1 January	**1,454**	36
Exchange difference	**(1)**	—
Deferred taxation charged to consolidated statement of comprehensive income	**6,397**	1,418
At 31 December	**7,850**	1,454
The amount shown in the statement of financial position includes the following:		
Deferred tax liabilities to be settled after 12 months	**7,850**	1,454

32. Deferred Tax (Continued)

	Group Tax losses	
	2014 US$'000	2013 US$'000
Deferred tax assets		
The movements in the deferred tax assets are as follows:		
At 1 January	**50**	135
Exchange difference	**21**	—
Deferred taxation credited/(charged) to consolidated statement of comprehensive income	**241**	(85)
At 31 December	**312**	50
The amount shown in the statement of financial position includes the following:		
Deferred tax assets to be recovered after 12 months	**312**	50

As at 31 December 2014, the unused tax losses which have no expiry date and for which no deferred tax asset was recognised in the statement of financial position were approximately US$353 million (2013: US$397 million).

33. Trade Creditors

The ageing analysis of trade creditors is as follows:

	Group	
	2014 US$'000	2013 US$'000
Current to 60 days	**16,024**	28,827
61 days to 120 days	**4,721**	8,091
121 days to 180 days	**3,817**	1,316
Over 180 days	**8,709**	8,718
	33,271	46,952

33. Trade Creditors (Continued)

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2013: no credit to 45 days).

The carrying amounts of trade creditors are denominated in the following currencies:

	Group	
	2014 US$'000	2013 US$'000
US dollar	**26,996**	34,438
Hong Kong dollar	**1,004**	6,546
Malaysia Ringgit	**4,281**	3,123
Macau Patacas	**9**	2,069
Other currencies	**981**	776
	33,271	46,952

34. Provisions, Accruals and Other Liabilities

Provisions, accruals and other liabilities consist of the following:

	Group		Company	
	2014 US$'000	2013 US$'000	**2014 US$'000**	2013 US$'000
Payroll, taxes and related benefits	**20,774**	27,520	**2,243**	5,205
Accruals for obligations under a customer loyalty programme	**11,425**	14,811	**—**	—
Interest accrued	**1,041**	945	**518**	535
Port charges accrued	**5,130**	8,139	**—**	—
Accruals for repair and maintenance	**2,874**	2,224	**—**	—
Accruals for loss on fuel swap	**1,408**	—	**1,408**	—
Amount due to an associate	**3,577**	—	**—**	—
Others	**47,363**	49,192	**2,302**	3,020
	93,592	102,831	**6,471**	8,760

35. Significant Related Party Transactions and Balances

Related parties of the Group during the year ended 31 December 2014 and 2013 are set out below:

Golden Hope Limited ("Golden Hope"), a company incorporated in the Isle of Man acting as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust which is held directly and indirectly by First Names Trust Company (Isle of Man) Limited as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay, Mr. Lim Keong Hui and certain other members of Tan Sri Lim Kok Thay's family, is a substantial shareholder of the Company.

Tan Sri Lim Kok Thay is the Chairman, an Executive Director and the Chief Executive Officer and a substantial shareholder of the Company. Tan Sri Lim Kok Thay is the father of Mr. Lim Keong Hui who is an Executive Director, Executive Director – Chairman's Office and Chief Information Officer and a substantial shareholder of the Company.

Genting Berhad ("GENT"), a company in which each of Tan Sri Lim Kok Thay and Mr. Lim Keong Hui has a deemed interest and which is listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), controls Genting Malaysia Berhad ("GENM"), a company also listed on Bursa Malaysia which in turn indirectly controls Resorts World Limited, which is a substantial shareholder of the Company. GENT indirectly controls Genting Singapore PLC ("GENS"), a company listed on the Main Board of the Singapore Exchange Securities Trading Limited. Genting Management and Consultancy Services Sdn Bhd ("GMC") is a company incorporated in Malaysia and a wholly-owned subsidiary of GENT.

WorldCard International Limited ("WCIL") is currently a wholly-owned subsidiary of Star Cruise (C) Limited ("SC (C)", an indirect wholly-owned subsidiary of the Company). Prior to 31 December 2013, the date on which the completion of the acquisition of the WCIL group by SC (C) from Resorts World Inc Pte. Ltd. ("RWI") took place, WCIL had been a wholly-owned subsidiary of RWI since the completion of the disposal of 50% equity interest in WCIL by each of SC (C) and the GENS group to RWI on 4 November 2011. RWI is a company incorporated in Singapore and currently is a 50:50 jointly controlled company of Genting Intellectual Property Pte. Ltd. ("GIP", a company incorporated in Singapore and a wholly-owned subsidiary of GENT) and KHRV Limited ("KHRV", a company incorporated in the Isle of Man and wholly-owned by Golden Hope as trustee of the GHUT).

Clever Create Limited ("CCL") is a company in which Mr. Kwan Yany Yan Chi ("Mr. Kwan") and his wife have an interest. Mr. Kwan is a director and an indirect substantial shareholder of Treasure Island Entertainment Complex Limited ("TIECL"). TIECL is a company wholly-owned by Macau Land Investment Corporation ("MLIC"), which in turn is owned by an indirect wholly-owned subsidiary of the Company as to 75%, World Arena Corporation ("World Arena") as to 15% and Silverland Concept Corporation ("Silverland") as to 10%.

Rich Hope Limited ("Rich Hope") is a company in which each of Tan Sri Lim Kok Thay and his wife has an attributable interest as to 50%. Tan Sri Lim Kok Thay is also a director of Star Cruises (HK) Limited ("SCHK"), an indirect wholly-owned subsidiary of the Company.

Ambadell Pty Limited ("Ambadell") is ultimately wholly-owned by Golden Hope as trustee of GHUT. Star Cruises (Australia) Pty Ltd ("SCA") is a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company.

Resorts World at Sentosa Pte. Ltd. ("RWS") is a company incorporated in Singapore and an indirect wholly-owned subsidiary of GENS.

Crystal Aim Limited ("CAL") is a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company.

Genting International Management Limited ("GIML"), a wholly-owned subsidiary of GENS, is the registered owner of the "Crockfords and device" trademark (the "Crockfords" Trademark) and "MAXIMS" trademarks.

Star Market Holdings Limited ("SMHL") is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company.

35. Significant Related Party Transactions and Balances (Continued)

Upon completion of the initial public offering of Norwegian Cruise Line Holdings Ltd. ("NCLH" or "Norwegian") on 24 January 2013, Norwegian ceased to be a jointly controlled entity of the Company and became an associate of the Company. Each of Norwegian Sky, Ltd. ("NSL") and NCL (Bahamas) Ltd. ("NCLB") is a company incorporated under the laws of Bermuda with limited liability and an indirect wholly-owned subsidiary of Norwegian.

International Resort Management Services Pte. Ltd. ("IRMS") is a company incorporated in Singapore and owned as to 80% by Tan Sri Lim Kok Thay and 20% by his wife.

Following initial listing of the common shares of Travellers International Hotel Group, Inc. ("Travellers") on 5 November 2013, Travellers ceased to be a jointly controlled entity of the Company and became an associate of the Company. Each of Genting Management Services, Inc. ("GMS") and Genting-Star Tourism Academy Inc. ("GSTA") is a jointly controlled entity of the Company.

Star Cruises Hong Kong Management Services Philippines, Inc. ("SCHKMS") is a company incorporated in the Republic of the Philippines and 64% owned indirectly by Starlet Investments Pte. Ltd. (a company incorporated in Singapore), which is in turn 50% owned directly and indirectly by each of IRMS and the Company respectively. SCHKMS is a jointly controlled entity of the Company.

Each of Star Cruises China Holdings Limited ("SCCH"), Wo De Ke Zhan Limited ("WDKZ") and Dynamic Merits Limited ("Dynamic Merits") is an indirect wholly-owned subsidiary of the Company. 3rd Valley (Zhang Jia Kou) Resort Corporation ("3rd Valley") is a company in which Golden Hope as trustee of the GHUT has 30% indirect equity interest and Datuk Lim Chee Wah (a brother of Tan Sri Lim Kok Thay) has 44.9% indirect equity interest.

Glass Castle Limited ("GCL") is a wholly-owned subsidiary of the Company and RWD US LLC ("RWD") is an indirect wholly-owned subsidiary of GENM.

FreeStyle Gaming Limited ("FSG") is a company incorporated in Hong Kong and a wholly-owned subsidiary of RWI International Investments Limited, which in turn is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of RWI.

Significant related party transactions entered into or subsisting between the Group and the above companies during the year ended 31 December 2014 and 2013 are set out below:

(a) On 20 December 2010, the Company entered into services agreements each for a period of three years commencing from 1 January 2011 with GMC, GENM and GENS separately in relation to the provision of certain services to the Group. On 31 October 2011 and 30 March 2012, the Company had entered into supplemental agreements with GENM and GENS respectively to amend the relevant services agreements for the purposes of expanding the scope of services. In view of the expiry of the agreements, on 23 December 2013, the parties further entered into supplemental agreements to extend the term of the respective agreements each for a further fixed term of 3 years commencing from 1 January 2014. For the year ended 31 December 2014, (i) the amount charged to the Group in respect of secretarial, share registration, investor and other related services rendered by GMC was approximately US$9,000 (2013: US$9,000), (ii) the amount charged to the Group in respect of air ticket purchasing, leasing of office space, travel, information technology and implementation, support and maintenance services and other related services rendered by the GENM group was approximately US$1,450,000 (2013: US$1,654,000), and (iii) the amount charged to the Group in respect of administrative and other support services rendered by the GENS group was approximately US$39,000 (2013: US$42,000).

(b) On 31 March 2011, the Company entered into services agreements each for a period of three years commencing from 1 January 2011 with GENS and GENM separately in relation to the provision of certain services by the Group. On 23 December 2013, the parties entered into supplemental agreements to extend the term of the respective agreements each for a further fixed term of 3 years commencing from 1 January 2014. For the year ended 31 December 2014, (i) the amount charged by the Group in respect of air ticket purchasing and travel related services rendered to the GENS group was approximately US$221,000 (2013: US$201,000) and (ii) the amount charged by the Group in respect of tourism consultancy services rendered to the GENM group was approximately US$38,000 (2013: US$35,000).

35. Significant Related Party Transactions and Balances (Continued)

(c) WCIL, together with its subsidiaries, operate and administer the WorldCard programme on an international basis (save for Malaysia). The WorldCard programme is operated and managed by the GENM group in Malaysia. The Group participated as a merchant in the WorldCard programme (save for Malaysia) and was subsequently allowed to participate in the WorldCard programme in Malaysia through certain inter-operator arrangements. In May 2007, the WorldCard programme was extended to cover sale of travel and tour packages which are sold to WorldCard holders at onshore outlets of the Group in various territories, including the cruise packages to board for the cruise ships of the Company or of its affiliates. There are also transactions between the GENM group and the WCIL group in the cross-territory operation of the WorldCard programme under the inter-operator agreement (as amended) (the "Inter-Operator Agreement").

The Group also implemented joint promotion and marketing programmes for the purpose of promoting the respective businesses of the Group and the GENM group pursuant to the joint promotion and marketing agreement (as amended and supplemented) (the "JPM Agreement").

In view of the expiry of the Inter-Operator Agreement and the JPM Agreement (as amended and supplemented from time to time) on 31 December 2013, the Group and the GENM group entered into supplemental agreements to renew the Inter-Operator Agreement and the JPM Agreement (as amended and supplemented from time to time) each for a further period of 3 years commencing from 1 January 2014.

During the year ended 31 December 2014 and 2013, the following transactions took place:

	Group	
	2014	2013
	US$'000	US$'000
Amounts charged by the GENT group to the Group	**164**	631
Amounts charged to the GENT group by the Group	**1,110**	1,724

(d) On 5 October 2012, TIECL entered into a tenancy agreement with CCL in respect of the leases of office premises in Macau. During the year ended 31 December 2014, the amount charged by CCL to the Group in respect of the rental amounted to US$46,000 (2013: US$46,000).

(e) On 1 January 2012, SCHK as a tenant entered into a tenancy agreement with Rich Hope as landlord in respect of the lease of an apartment in Hong Kong. In view of the expiry of the tenancy agreement on 31 December 2013, the parties entered into a new tenancy agreement on 20 December 2013 for 2 years commencing from 1 January 2014. During the year ended 31 December 2014, the amount charged by Rich Hope to SCHK in respect of the rental amounted to US$233,000 (2013: US$232,000).

(f) On 12 November 2012, SCA as tenant entered into a tenancy agreement with Ambadell as landlord in respect of the lease of an office area in Australia. During the year ended 31 December 2014, the amount charged by Ambadell to the Group in respect of the rental amounted to US$57,000 (2013: US$58,000).

(g) On 31 December 2012, CAL entered into the Second Supplemental Agreement with RWS to renew the RWS Services Agreement (as amended by the First Supplemental Agreement) entered into between the two parties, the term of which expired on 31 December 2012, for a further period of three years from 1 January 2013 to 31 December 2015, in respect of the provision of certain services by CAL for the integrated resort, Resorts World Sentosa which is located at Sentosa, Singapore and owned and operated by RWS. CAL provides the scope of services, including but not limited to handling of English speaking inbound and outbound operation administration calls and provision of any reservations and booking services of tour packages, hotel rooms and any tickets for local and overseas customers of RWS, and handling of all amendment and cancellation related activities of any reservations and booking services. Amount charged to RWS in respect of these services rendered by CAL was approximately US$1,420,000 for the year ended 31 December 2014 (2013: US$1,089,000).

35. Significant Related Party Transactions and Balances (Continued)

(h) On 2 November 2011, SCCH and 3rd Valley entered into a hotel pre-opening technical services agreement in respect of the provision of consultancy services by SCCH with respect to the development, construction and completion of a first class international hotel (the "Hotel") to be constructed in Zhang Jia Kou City, Hebei Province, the People's Republic of China for total service fees of RMB2,866,300 (equivalent to approximately US$463,000). The last payment of consultancy fee of RMB573,260 (equivalent to approximately US$94,000) was charged by SCCH to 3rd Valley in December 2013. On 16 April 2012, SCCH and 3rd Valley entered into a hotel management agreement in respect of the provision of management services and other services (including reservation and if required, marketing services) by SCCH for the Hotel. On 15 May 2013, a deed of assignment was executed between SCCH and Guangzhou Liyunhui Consulting and Management Services Limited ("GLCM", an indirect wholly-owned subsidiary of the Company) pursuant to which SCCH has assigned all its rights and obligations under the hotel management agreement with 3rd Valley to GLCM. During the year ended 31 December 2014, the amount charged by the Group to 3rd Valley in respect of such management and other services was approximately US$0.04 million (2013: approximately US$0.04 million).

(i) On 12 April 2012, SMHL entered into a trademark license agreement with GIML to obtain the right to use the "MAXIMS" trademarks in the Philippines for the purpose of the integrated resorts with the right to sub-license the "MAXIMS" trademarks to any of the Company and its subsidiaries and associates. During the year ended 31 December 2014, the amount charged by GIML to SMHL in respect of the annual license fee was US$20,000 (2013: US$20,000).

(j) On 24 October 2012, Chongli My Inn Hotel Company Limited, an indirect wholly-owned subsidiary of the Company as lessee, entered into a tenancy agreement with 3rd Valley as lessor in respect of the lease of a portion of Genting Star Secret Garden, a hotel area located at Zhang Jia Kou, China for a period of three years effective from 15 December 2012. The Group has prepaid three years rental expense of US$557,000 to 3rd Valley in 2012. Subsequently, on 30 December 2013, a termination agreement was entered into by the lessor and the lessee whereby the aforesaid tenancy was terminated with effect from 14 April 2013 and part of the prepaid rental in the sum of RMB3,131,213 (equivalent to approximately US$514,000) was refundable to the lessee. During the year ended 31 December 2014, the amount charged by 3rd Valley to the Group in respect of the rental was Nil (2013: US$43,000).

(k) On 24 October 2012, WDKZ as lender entered into a facility agreement with 3rd Valley International Resort Corporation ("3rd Valley International", the 100% shareholder of 3rd Valley) as borrower in respect of the provision of a loan of USD equivalent of RMB3,477,385 (equivalent to approximately US$557,000) for interest at the rate of USD 4.75% plus USD 6 months LIBOR. The loan is for the sole purpose of completing the structural works and renovation of Genting Star Secret Garden located at Zhang Jia Kou, China. The Group has advanced US$557,000 to 3rd Valley International in 2012. During the year ended 31 December 2014, the interest amount charged by WDKZ to 3rd Valley International in respect of the loan amounted to US$32,000 (2013: US$30,000).

Amounts outstanding at the end of each fiscal period in respect of the above transactions were included in the consolidated statement of financial position within amounts due from/to related companies. The related party transactions described above were carried out on terms, conditions and prices comparable to transactions with independent parties.

(l) On 9 April 2009, Star Cruises (BVI) Limited ("SCBVI"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with GIML to obtain the right to use and authorisation to grant to any companies within the Group and to any authorised third party (the "Authorised Company") subject to prior consent of GIML the right to use, the "Crockfords" Trademark in Macau, the Philippines and such other locations as may be mutually agreed in writing by SCBVI and GIML (the "Territories") for a consideration of GBP1.00. In addition, the Group and/or the Authorised Company shall expend an amount equivalent to GBP50,000 per annum in each of the Territories to promote and market the "Crockfords" Trademark in the Territories.

35. Significant Related Party Transactions and Balances (Continued)

(m) On 1 March 2010, the Company and SMHL entered into a Cross Licensing Agreement with GENT, GIP, GENS and GIML (as amended and restated by an Amended and Restated Cross License Agreement dated 23 November 2010) in respect of the grant of license for the "GENTING" trade marks and intellectual property rights (the "Genting IP") to GIP in consideration of the payment to each of GIML and SMHL of a sum of US$10 each, and the grant of license for the Resorts World Trade Mark and the Resorts World Know How (the "Resorts World IP") to GIML and SMHL in consideration of the payment to GIP from GIML and SMHL of a sum of US$10 each. On 23 November 2010, GIML and SMHL entered into a Genting IP License Agreement (the "Genting IP License Agreement") with RWI in respect of the grant of license for the Genting IP to RWI in consideration of the payment to each of GIML and SMHL of a sum of SGD10 each. On 15 December 2011, GIML and SMHL entered into an Amending Agreement to the Genting IP License Agreement with RWI to allow the wholly-owned subsidiaries of RWI to further sub-license the Genting IP to any permitted sub-licensees in consideration of the payment to each of GIML and SMHL of a sum of SGD10 each.

(n) Famous City Holdings Limited ("Famous City") and Star Cruise Pte Ltd ("SCPL"), both of which are wholly-owned subsidiaries of the Company entered into Contracts of Lease with Travellers in respect of the lease of office area in the Philippines. During the year ended 31 December 2014, the amount charged by Travellers to the Group in respect of the rental amounted to US$0.4 million (2013: US$0.3 million).

(o) On 1 October 2010, Famous City entered into Service Agreements with GSTA and GMS in respect of provision of back-office support services. During the year ended 31 December 2014, service revenue received from GSTA and GMS was US$0.1 million (2013: US$0.1 million).

(p) On 7 January 2011, NCLB has entered into a general services agreement with CAL for the provision of contact centre services by CAL. During the year ended 31 December 2014, the amount charged by CAL to NCLB in respect of the services amounted to US$290,000 (2013: US$286,000).

(q) Famous City and Travellers have entered into a service agreement for the provision of various services by Famous City to Travellers with effect from 1 January 2011. The parties may enter into and have entered into, pursuant to the service agreement, supplemental agreements for provision of other additional services as they may consider necessary. During the year ended 31 December 2014, the amount charged by Famous City to Travellers in respect of the services amounted to US$806,000 (2013: US$860,000).

(r) CAL and Travellers have entered into a general services agreement for the provision of contact centre services and customer services by CAL to the customers of Travellers with effect from 1 July 2010. During the year ended 31 December 2014, service revenue received from Travellers was US$747,000 (2013: US$999,000).

(s) On 22 December 2011, Famous City and SCHKMS entered into a services agreement in respect of the provision of back office support services by Famous City. During the year ended 31 December 2014, service revenue received from SCHKMS was US$111,000 (2013: US$93,000).

(t) On 15 November 2012, the shareholders of MLIC (the immediate holding company of TIECL) have advanced interest-bearing shareholders' loans to TIECL in an aggregate sum of HK$5 million (equivalent to approximately US$645,000) to meet the working capital requirement of TIECL in proportion to their respective effective percentage of equity interests in TIECL (i.e. HK$3.75 million (equivalent to approximately US$484,000) from the Group (as to 75%); HK$0.75 million (equivalent to approximately US$97,000) from World Arena (as to 15%); and HK$0.5 million (equivalent to approximately US$64,000) from Silverland (as to 10%)).

(u) On 7 March 2013, Symbol Smart Limited, a wholly-owned subsidiary of the Company, entered into a consultancy services agreement with NCLB in respect of the provision of certain consultation services from NCLB. During the year ended 31 December 2014, the consultancy fee charged by NCLB to Symbol Smart Limited amounted to US$1,200,000 (2013: US$1,200,000).

35. Significant Related Party Transactions and Balances (Continued)

(v) On 8 August 2013, Star NCLC Holdings Ltd. ("Star NCLC", a wholly-owned subsidiary of the Company) entered into the underwriting agreement with NCLH and others pursuant to which Star NCLC sold 11.5 million ordinary shares in NCLH at an offering price of US$29.75 per ordinary share with an underwriting discount and commission of 3.25%. The then percentage of ordinary shares of NCLH beneficially owned by the Group has decreased from approximately 43.4% to approximately 37.7% as a result of the share disposal, with a disposal gain of approximately US$192.6 million to the Group.

(w) On 30 October 2013, Star Cruises Ship Management Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a service agreement with APEC Assets Limited ("APEC", a wholly-owned subsidiary of Travellers) for the provision of technical consultancy services with effect from 14 October 2013. During the year ended 31 December 2014, service revenue received from APEC was US$67,000 (2013: US$32,000).

(x) On 3 December 2013, Star NCLC entered into the underwriting agreement with NCLH and others pursuant to which Star NCLC further sold 12.65 million ordinary shares in NCLH at an offering price of US$33.25 per ordinary share with an underwriting discount and commission of 3.25%. The then percentage of ordinary shares of NCLH beneficially owned by the Group has further decreased from approximately 37.5% to approximately 31.4% as a result of the share disposal, with a disposal gain of approximately US$259.1 million to the Group.

(y) On 24 December 2013, SC (C) entered into a sale and purchase agreement with RWI in respect of the acquisition by SC (C) from RWI of the entire issued share capital in WCIL which together with its subsidiaries operates and administers the customer loyalty programme known as "WorldCard" outside Malaysia at the consideration of US$2. The acquisition was completed on 31 December 2013.

(z) On 30 December 2013, Dynamic Merits entered into a cooperation agreement with 3rd Valley whereby 3rd Valley agreed to provide certain consultancy services and maintenance services, and grant certain access rights, in respect of the development of Genting World and Genting Residences by the Group, and grant the right to use all ski-related facilities at the Genting Resort, Secret Garden ("Secret Garden"), for an aggregate consideration of RMB20,000,000 (equivalent to approximately US$3.3 million). Secret Garden is located at Chongli County, Zhang Jia Kou City, Hebei Province, the People's Republic of China. The durations of the maintenance services and access rights and each of the other services as set out in the cooperation agreement are 70 years and 3 years respectively, and the details of the durations of these services are more specifically defined and provided in the cooperation agreement. Genting World and Genting Residences are properties located and/or to be developed and constructed at Secret Garden, Chongli County, Zhang Jia Kou City, Hebei Province, the People's Republic of China. During the year ended 31 December 2014, the amount paid to 3rd Valley was Nil (2013: US$1,641,000).

(aa) On 2 January 2014, GCL entered into a sale and purchase agreement with RWD for the disposal of an aircraft to RWD for a consideration of US$17.3 million.

(bb) On 4 March 2014, Star NCLC entered into an underwriting agreement with NCLH and others pursuant to which Star NCLC further disposed of 7.5 million ordinary shares in NCLH for a total consideration of approximately US$246.9 million (after deduction of relevant expenses). As a result of the share disposal, the then percentage of ordinary shares in NCLH beneficially owned by the Group further decreased from approximately 31.4% to approximately 27.7%, with a disposal gain of approximately US$152.6 million to the Group.

(cc) During the period between October 2013 and June 2014, the shareholders of MLIC (the immediate holding company of TIECL) advanced interest-bearing shareholders' loans to TIECL in an aggregate sum of HK$10 million (equivalent to approximately US$1,290,000) to meet the working capital requirement of TIECL in proportion to their respective effective percentage of equity interests in TIECL (i.e. HK$7.5 million (equivalent to approximately US$968,000) from the Group (as to 75%); HK$1.5 million (equivalent to approximately US$193,000) from World Arena (as to 15%); and HK$1 million (equivalent to approximately US$129,000) from Silverland (as to 10%)).

35. Significant Related Party Transactions and Balances (Continued)

(dd) On 1 July 2014, Snow Castle Limited ("SCL", an indirect wholly-owned subsidiary of the Company) entered into a license agreement, as licensee, with FSG whereby FSG as the licensor would (i) grant an exclusive license to SCL with rights to use an application (the "Software") which can be downloaded in the mobile devices of passengers onboard the vessels operated and/or managed by the Group and (ii) provide certain support services in respect of the Software to SCL for a total fee comprising a one-off mobilisation fee and a monthly licence fee according to the terms set out in the license agreement subject to an annual fee cap of US$400,000 for a term commencing from the date of the license agreement to 31 December 2016, renewable at the option of SCL up to a maximum 9 terms of 3 years each. For the year ended 31 December 2014, the amount of mobilisation fee and licence fee charged by FSG to SCL under the license agreement were Nil and Nil respectively.

(ee) On 1 September 2014, the Group entered into a master services agreement with IRMS to appoint IRMS as consultant to provide ongoing design consultancy services to support the Group's operations effective from 1 September 2014 to 31 December 2016. During the year ended 31 December 2014, the amount charged by IRMS to the Group in respect of the consultancy services amounted to SGD597,000 (equivalent to approximately US$451,000)

(ff) On 18 November 2014, World Arena and Silverland signed a waiver (a) with the intention to provide MLIC (the immediate holding company of TIECL) further shareholders' loans of up to HK$10,300,000 (equivalent to approximately US$1,328,000) (the "Loan") to meet the working capital requirement of MLIC and its subsidiaries (the "MLIC Group"); and (b) to waive the Group's obligation from advancing MLIC the corresponding share of the Loan in accordance with the Specified Proportion (as defined in the Shareholders Agreement dated 19 March 2007 entered into between MLIC, the Group, World Arena and Silverland). On 24 December 2014, Silverland advanced HK$865,000 (equivalent to approximately US$112,000) under the Loan to the MLIC Group.

(gg) On 10 December 2014, Star Cruises Terminal (China) Limited ("SCT", a wholly-owned subsidiary of the Company) entered into a share purchase agreement with Golden Hope as trustee of the GHUT in respect of the acquisition by SCT from Golden Hope as trustee of the GHUT of the entire issued share capital in Exa Limited (which is incorporated in the Isle of Man and mainly invests in yacht manufacturing and distribution companies) at the consideration of US$37,937,409. The acquisition was completed on 15 December 2014.

Transactions with Directors

(hh) Certain Directors of the Company and the Group were granted share options entitling them to subscribe for ordinary shares in the share capital of the Company under the Post-listing Employee Share Option Scheme. Share options granted under the Post-listing Employee Share Option Scheme are exercisable at the price of HK$1.6202 (US$0.21) (as adjusted), HK$1.7800 (US$0.23) and HK$3.7800 (US$0.49) per share. Details of the movements of the share options during the year ended 31 December 2014 and the outstanding share options as at 31 December 2014 are set out in the section headed "Share Options" in the Report of the Directors.

Key management compensation

(ii) The key management compensation is analysed as follows:

	Group	
	2014 US$'000	2013 US$'000
Salaries and other short-term employee benefits	**14,371**	19,611
Post-employment benefits	**194**	2,803
Non-cash share option expenses	**25**	516
	14,590	22,930

36. Commitments and Contingencies

(i) Capital expenditure

In October 2013 and February 2014, the Group contracted with a shipyard to purchase two ships with anticipated delivery in the fourth quarter of 2016 and 2017 respectively. The aggregate cost of the ship under construction and on firm order (based on Euro/U.S, dollar exchange rate at the date of consolidated statement of financial position) as at 31 December 2014 is as follows:-

	Group	
	2014	2013
	US$'000	US$'000
Contracted but not provided for		
– Cruise ship and related costs	**1,603,616**	963,011

(ii) Other commitments

As at 31 December 2014 and 2013, the Group's future commitments contracted but not provided for are as follows:-

	Group	
	2014	2013
	US$'000	US$'000
Contracted but not provided for		
– Property under development	**66,022**	30,647

(iii) Operating leases

Rental expense under non-cancellable operating lease commitments was US$3.9 million for the year ended 31 December 2014 (2013: US$3.2 million).

At 31 December 2014, future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group	
	2014	2013
	US$'000	US$'000
Within one year	**4,994**	3,371
In the second to fifth year inclusive	**2,819**	7,274
After the fifth year	**3,990**	4,088
	11,803	14,733

The rental expense under non-cancellable operating lease commitments mainly relates to rental of offices occupied by the Group.

(iv) Material litigation

The Group is routinely involved in personal injury and personal property damage claims typical of the cruise ship business. After application of deductibles, these claims are covered by insurance and other indemnity arrangements. The Group is also involved in other contractual disputes. In the opinion of management, all the aforesaid claims, if decided adversely, individually or in the aggregate, would not have a material adverse effect on the results of operation, cash flows, and financial position of the Group.

37. Share Option Scheme

Post-listing Employee Share Option Scheme

The Company adopted a share option scheme on 23 August 2000 which was effected on 30 November 2000 upon listing of the Company's shares on the Stock Exchange and amended on 22 May 2002 (the "Post-listing Employee Share Option Scheme") to comply with the new requirements set out in Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange effective 1 September 2001. The Post-listing Employee Share Option Scheme has expired on 29 November 2010 whereupon no further options can be granted under the scheme.

A summary of the Post-listing Employee Share Option Scheme is given below:

Purpose

The main purpose of the Post-listing Employee Share Option Scheme is to motivate the employees of the Group including any executive directors of any company in the Group.

Participants

The participants are the employees of the Group including any executive director of any company in the Group.

Total number of shares available for issue

The maximum number of shares available for issue under the Post-listing Employee Share Option Scheme and options to be granted under any other schemes of the Company is 132,733,953, representing approximately 3.2% of the issued share capital of the Company as of 22 May 2002 (the date of adoption of the Post-listing Employee Share Option Scheme (as amended)) and approximately 1.7% of the issued share capital as at the date of this Report. No further options can be granted under the Post-listing Employee Share Option Scheme following its expiry on 29 November 2010.

Maximum entitlement of each employee

The total number of shares issued and to be issued upon exercise of the options granted to any one employee (including the exercised, cancelled and outstanding options) in any 12-month period up to and including the proposed date of the latest grant shall not exceed 1 per cent. of shares in issue, provided that the Company may grant further options in excess of this 1 per cent. limit subject to the issue of a circular by the Company and the approval of the shareholders in general meeting with such employee and his associates (as defined in the Listing Rules) abstaining from voting.

Granting options to Directors, Chief Executive or Substantial Shareholders

Any grant of options to a Director, the Chief Executive or a Substantial Shareholder of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the Independent Non-executive Directors of the Company (excluding any Independent Non-executive Director who is a grantee of the options).

If the Company proposes to grant options to a Substantial Shareholder (as defined in the Listing Rules) or any Independent Non-executive Director of the Company or their respective associates (as defined in the Listing Rules) which will result in the number of shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(a) representing in aggregate over 0.1% of the shares in issue; and

(b) having an aggregate value in excess of HK$5 million, based on the closing price of the shares as quoted in the Stock Exchange's daily quotation sheet at the offer date of such option,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting on a poll at which the connected persons (as defined in the Listing Rules) of the Company shall abstain from voting except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular.

37. Share Option Scheme (Continued)

Post-listing Employee Share Option Scheme (Continued)

Period within which the shares must be taken up under an option

The period during which the options may be exercised will be determined by the Board of Directors of the Company at its absolute discretion, save that no option can be exercised more than 10 years after it has been granted.

Minimum period for which an option must be held before it can be exercised

The Board of Directors of the Company may determine at its absolute discretion the minimum period, if any, for which an option must be held before it can be exercised.

The share options granted on (i) 27 May 2008 vest in five tranches over a period of ten years from the date of offer and become exercisable annually in equal tranches of 20% of the amount granted commencing in each of the 5 years from 2009 to 2013; and (ii) 16 November 2010 vest in five tranches over a period of ten years from the date of offer and become exercisable annually in equal tranches of 20% of the amount granted commencing in each of the 5 years from 2011 to 2015.

Amount payable on acceptance of the option and period within which payments must be made

An offer of options shall be open for acceptance for a period of ninety days after the date of offer or such period as the Board of Directors may at its sole discretion determine. An option price of US$1 shall be payable by the employee concerned on acceptance of the option.

Basis of determining the exercise price of the shares

The exercise price shall be determined by the Board of Directors of the Company, save that such price will not be less than the highest of (a) the closing price of the shares as stated on the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (b) the average of the closing prices of the shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company.

Remaining life of the Post-listing Employee Share Option Scheme

The Post-listing Employee Share Option Scheme has expired on 29 November 2010 whereupon no further options may be granted under the scheme. All outstanding share options remain exercisable subject to terms and conditions set out in the relevant offer letters and provisions of the Post-listing Employee Share Option Scheme.

Details of the movement during the year for options outstanding are set out in the section headed “Share Options” in the Report of Directors.

37. Share Option Scheme (Continued)

Post-listing Employee Share Option Scheme (Continued)

Movements in the number of shares under options outstanding and their related weighted average exercise prices are as follows:

	2014	
	Average exercise price in HK$ per share	**Number of shares under options (thousands)**
At 1 January	**2.4831**	**32,155**
Exercised	**1.6513**	**(2,906)**
Forfeited	**1.9851**	**(9,174)**
At 31 December	**2.8311**	**20,075**

	2013	
	Average exercise price in HK$ per share	Number of shares under options (thousands)
At 1 January	2.2149	53,508
Exercised	2.7800	(21,253)
Forfeited	1.8064	(100)
At 31 December	2.4831	32,155

A summary of the share options outstanding as at 31 December 2014 is as follows:

	Options outstanding		**Options exercisable**
Exercise price	**Number of shares (in thousands)**	**Weighted average remaining life (years)**	**Number of shares (in thousands)**
HK$1.7800	**9,525**	**3.4**	**9,525**
HK$3.7800	**10,550**	**5.9**	**8,440**
	20,075	**4.7**	**17,965**

38. Principal Subsidiaries

The following is a list of principal subsidiaries as at 31 December 2014:

Name of Company	Country of Incorporation and place of business	Principal activities	Proportion of ordinary shares held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
Subsidiaries held directly:					
Star Cruises Asia Holding Ltd.	Bermuda	Investment holding	100	100	—
Star NCLC Holdings Ltd.	Bermuda	Investment holding	100	100	—
Subsidiaries held indirectly:					
Star Cruise Management Limited	Note (1)	Investment holding and provision of management services	—	100	—
Cruise Properties Limited	Isle of Man	Investment holding	—	100	—
Inter-Ocean Limited	Note (2)	Investment holding and cruise services	—	100	—
Star Cruise Services Limited	Note (2)	Investment holding and cruise services	—	100	—
Superstar Virgo Limited	Note (2)	Bareboat chartering	—	100	—
My Inn (Hangzhou) Hotel Co. Limited	The People's Republic of China	Hotel management and accommodation	—	100	—
Suzhou My Inn Hotel Co., Ltd.	The People's Republic of China	Operation of economy accommodation services	—	100	—
Shanghai My Inn Hotel Co., Ltd.	The People's Republic of China	Accommodation	—	100	—
Chongli My Inn Hotel Company Limited	The People's Republic of China	Operation and management of hotel	—	100	—
Suzhou Trip-X Information Technologies Co., Ltd.	The People's Republic of China	Software development of tourist information system	—	100	—
Genting (Shanghai) Education Information Consulting Co., Limited	The People's Republic of China	Education information consulting (except study abroad consulting and agent service)	—	100	—

38. Principal Subsidiaries (Continued)

Name of Company	Country of Incorporation and place of business	Principal activities	Proportion of ordinary shares held by the Company (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
Subsidiaries held indirectly: (Continued)					
Treasure Island Entertainment Complex Limited	Macau Special Administrative Region	Development of hospitality facilities	—	75	25
Genting Philippines Holdings Limited	Note (3)	Investment holding	—	100	—
Genting Securities Limited	Hong Kong Special Administrative Region	Securities dealing and securities margin financing	—	100	—
Genting Credit Limited	Hong Kong Special Administrative Region	Provision of credit services	—	100	—
Star Cruises (HK) Limited	Hong Kong Special Administrative Region	Cruise sales, marketing and support services	—	100	—
Star Cruises China Holdings Limited	Hong Kong Special Administrative Region	Travel agent and provision of consultancy services	—	100	—
Dynamic Merits Limited	Hong Kong Special Administrative Region	Investment holding	—	100	—
WorldCard International Limited	Isle of Man	Investment holding	—	100	—
Exa Limited	Isle of Man	Investment holding	—	100	—

Notes:

(1) This company was incorporated in Isle of Man and provides ship management and marketing services to cruise ships operating substantially in international waters.

(2) These companies were incorporated in Isle of Man and provide cruise services substantially in international waters.

(3) This company was incorporated in British Virgin Islands and the place of business is in Republic of the Philippines.

All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiaries held directly by the holding company does not differ from the proportion of ordinary shares held. The holding company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

The subsidiaries that have non-controlling interests are not material to the Group.

39. Significant Subsequent Events

(i) On 3 March 2015, the Group has entered into a purchase agreement to acquire the entire interest in Crystal Cruises, Inc. which is a global luxury cruise line operator, at a consideration of US$550 million subject to certain adjustment items provided that the consideration shall not be more than US$600 million.

(ii) On 5 March 2015, the Group entered into an underwriting agreement to dispose of 6.25 million ordinary shares in NCLH for a total consideration of approximately US$316.9 million (after deduction of relevant estimated expenses). As a result of the share disposal, the percentage of ordinary shares in NCLH owned by the Group decreased from approximately 24.9% to approximately 22.1%.

40. Final Dividend

A final dividend in respect of the year ended 31 December 2014 of US$0.01 per ordinary share (2013: US$0.01) amounting to a total dividend of approximately US$80,367,000 (2013: US$80,345,000) is recommended by the Directors at a meeting held on 19 March 2015, which will be payable subject to shareholders' approval at the 2015 annual general meeting of the Company. The proposed final dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2015. The Company will make further announcement on the record date, closure of registers of members and payment date in respect of the shareholders' entitlement to the said recommended final dividend.

41. Approval of Financial Statements

These consolidated financial statements have been approved for issue by the Board of Directors on 19 March 2015.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GENTING HONG KONG LIMITED
(Continued into Bermuda with limited liability)

We have audited the consolidated financial statements of Genting Hong Kong Limited (the "Company") and subsidiaries, (together, the "Group") set out on pages 93 to 172, which comprise the consolidated and Company statements of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated and Company statements of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 March 2015

AUDITED FIVE YEARS FINANCIAL SUMMARY

	2014 US$'000	2013 US$'000	2012 US$'000	2011 US$'000	2010 US$'000
Results					
Turnover	**570,810**	554,729	520,381	494,008	399,831
Results from continuing operations before impairment loss	**(41,902)**	(35,479)	62,744	57,365	36,772
Reversal of previously recognised impairment loss	**—**	—	—	—	7,042
	(41,902)	(35,479)	62,744	57,365	43,814
Share of profit of jointly controlled entities	**1,530**	43,278	162,893	127,933	40,152
Share of profit/(loss) of associates	**147,276**	31,291	203	(404)	9,851
Other income/(expenses), net	**8,424**	(14,903)	1,588	23,291	18,231
Other gains, net	**300,952**	576,254	259	—	—
Finance income	**12,997**	13,219	12,032	4,182	2,776
Finance costs	**(31,442)**	(47,800)	(55,073)	(34,518)	(29,815)
Profit before taxation	**397,835**	565,860	184,646	177,849	85,009
Taxation	**(13,771)**	(13,909)	(1,313)	(2,532)	(2,117)
Profit for the year from continuing operations	**384,064**	551,951	183,333	175,317	82,892
Profit for the year from discontinued operations	**—**	—	14,672	10,110	—
Profit for the year	**384,064**	551,951	198,005	185,427	82,892
Attributable to:					
Owners of the Company	**384,475**	552,389	198,361	182,204	82,635
Non-controlling interest	**(411)**	(438)	(356)	3,223	257
	384,064	551,951	198,005	185,427	82,892
Basic earnings per share (US cents)	**4.79**	7.00	2.55	2.34	1.10
Diluted earnings per share (US cents)	**4.61**	6.61	2.45	2.26	1.10
Assets and Liabilities					
Total assets	**3,871,051**	3,866,985	3,450,017	3,122,257	2,698,458
Total liabilities	**(630,567)**	(917,799)	(1,077,919)	(935,921)	(698,574)
Total equity	**3,240,484**	2,949,186	2,372,098	2,186,336	1,999,884

PROPERTIES SUMMARY

As at 31 December 2014

	Location	Lot No.	Approximate land area	Approximate gross built-up area	Lease term (years)	Usage
1.	Star Cruises Jetty, Porto Malai, Langkawi, Kedah Darul Aman, Malaysia	Lot 2930 (previously Lot PT 740)	137,962ft^2 (12,817m^2)	96,123ft^2 (8,930m^2)	90	J
2.	An adjoining site to the Star Cruises Jetty, Porto Malai, Langkawi, Kedah Darul Aman, Malaysia	Lot 2931 (previously Lot PT 741)	40,462ft^2 (3,759m^2)	—	90	J
3.	No. 288 Suzhou Avenue East, Suzhou Industrial Park, Suzhou, China	Lot No: 75034	4,220m^2	—	40	O/H
4.	A piece of land located at Tai Zi Cheng Cun, Sitaizui Township, Chongli County, Zhangjiakou City, Hebei Province, China	—	15,106 m^2	—	Until 1 March 2054 (approximately 40 years)	H/RT
5.	A piece of land located at Tai Zi Cheng Cun, Sitaizui Township, Chongli County, Zhangjiakou City, Hebei Province, China	—	22,644 m^2	—	Until 1 March 2084 (approximately 70 years)	RSD
6.	A piece of land located at "Terreno a aterrar junto à Praca de Ferreira do Amaral" in Macau which is generally known as "1 Lago Nam Van, Macao"	Reclamation Area (Lot A)	8,100m^2	—	25	H/C

Notes:

i The Group owns 100% of each of the properties listed in items 1 to 5 above. The Group owns 75% of the property listed in item 6 above by virtue of the Group's equity interest in the company which owns the property.

ii. Usage:

J – Jetty
O – Office
H – Hotel
C – Casino (subject to approval of the Government of the Macau)
RT – Restaurant
RSD – Residential

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