GENTING
HONG KONG

Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

Stock Code: 678

Interim Report 2012

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(Continued into Bermuda with limited liability)

Interim Report for the six months ended 30 June 2012

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Forward-looking statements

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

Corporate Information

Board of Directors

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

Mr. Alan Howard Smith
Deputy Chairman and Independent Non-executive Director

Mr. Tan Boon Seng
Independent Non-executive Director

Mr. Lim Lay Leng
Independent Non-executive Director

Mr. Heah Sieu Lay
Independent Non-executive Director

Mr. Au Fook Yew
Non-executive Director

President
Mr. David Chua Ming Huat

Secretary
Ms. Louisa Tam Suet Lin

Assistant Secretary
Appleby Services (Bermuda) Ltd.

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The Board of Directors (the "Directors") of Genting Hong Kong Limited (the "Company") presents the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2012, as follows:

Condensed Consolidated Statement of Comprehensive Income

	Note	Six months ended 30 June 2012 US$'000 unaudited	Six months ended 30 June 2011 (restated) US$'000 unaudited
Turnover	3	217,613	223,813
Operating expenses			
Operating expenses excluding depreciation and amortisation		(139,485)	(130,151)
Depreciation and amortisation	6	(27,727)	(35,991)
		(167,212)	(166,142)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(41,224)	(35,393)
Depreciation and amortisation	6	(3,231)	(2,008)
		(44,455)	(37,401)
		(211,667)	(203,543)
		5,946	20,270
Share of profit of jointly controlled entities		38,874	42,296
Share of profit / (loss) of associates		220	(191)
Other income, net	4	5,444	13,764
Finance income		5,006	1,487
Finance costs	5	(18,376)	(15,791)
		31,168	41,565
Profit before taxation	6	37,114	61,835
Taxation credit / (expenses)	7	696	(1,867)
Profit for the period		37,810	59,968
Other comprehensive (loss) / income:			
Foreign currency translation differences		8,705	8,664
Fair value (loss) / gain on derivative financial instruments		(465)	3,823
Fair value loss on available-for-sale investment		(3,043)	(909)
Realised loss of derivative financial instruments transferred to profit or loss		(1,887)	(2,942)
Share of other comprehensive (loss) / income of a jointly controlled entity		(19,359)	9,465
Other comprehensive (loss) / income for the period		(16,049)	18,101
Total comprehensive income for the period		21,761	78,069

Condensed Consolidated Statement of Comprehensive Income *(Continued)*

	Note	Six months ended 30 June 2012 *US$'000 unaudited*	2011 (restated) *US$'000 unaudited*
Profit attributable to:			
Equity holders of the Company		38,036	60,654
Non-controlling interests		(226)	(686)
		37,810	59,968
Total comprehensive income attributable to:			
Equity holders of the Company		21,987	78,755
Non-controlling interests		(226)	(686)
		21,761	78,069
Earnings per share attributable to equity holders of the Company	8		
– Basic (US cents)		0.49	0.80
– Diluted (US cents)		0.49	0.79

Condensed Consolidated Statement of Financial Position

	Note	As at 30 June 2012 US$'000 *unaudited*	As at 31 December 2011 US$'000 *audited*
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets		206	325
Property, plant and equipment		965,169	1,185,948
Land use right	9	1,179	1,195
Interests in jointly controlled entities	10	1,210,576	1,236,315
Interests in associates	11	165	7,916
Available-for-sale investments	12	164,341	3,907
Other assets	14	187,405	10,614
		2,529,041	2,446,220
CURRENT ASSETS			
Consumable inventories		7,977	7,557
Trade receivables	13	63,677	46,876
Prepaid expenses and other receivables	14	75,408	49,492
Available-for-sale investments	12	31,456	—
Derivative financial instruments	17	—	1,049
Amounts due from related companies	19	1,244	923
Restricted cash		3,936	1,968
Cash and cash equivalents		392,046	568,172
		575,744	676,037
TOTAL ASSETS		3,104,785	3,122,257

Condensed Consolidated Statement of Financial Position *(Continued)*

		As at	
		30 June	31 December
		2012	2011
		US$'000	*US$'000*
	Note	*unaudited*	*audited*
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	777,239	777,223
Reserves:			
Share premium		—	1,510,802
Contributed surplus		936,823	—
Additional paid-in capital		104,330	101,664
Convertible bonds – equity component		5,929	5,929
Foreign currency translation adjustments		12,865	4,160
Fair value reserve		(2,531)	512
Cash flow hedge reserve		(29,101)	(5,674)
Retained earnings / (Accumulated losses)		356,054	(255,982)
		2,161,608	2,138,634
Non-controlling interests		47,476	47,702
TOTAL EQUITY		2,209,084	2,186,336
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	16	641,885	689,606
Deferred tax liabilities		35	16
		641,920	689,622
CURRENT LIABILITIES			
Trade creditors	18	32,148	31,256
Current income tax liabilities		1,943	2,836
Provisions, accruals and other liabilities		137,866	130,471
Current portion of loans and borrowings	16	62,786	71,281
Derivative financial instruments	17	1,379	—
Amounts due to related companies	19	382	771
Advance ticket sales		17,277	9,684
		253,781	246,299
TOTAL LIABILITIES		895,701	935,921
TOTAL EQUITY AND LIABILITIES		3,104,785	3,122,257
NET CURRENT ASSETS		321,963	429,738
TOTAL ASSETS LESS CURRENT LIABILITIES		2,851,004	2,875,958

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2012	2011
	US$'000	*US$'000*
	unaudited	*unaudited*
OPERATING ACTIVITIES		
Cash generated from operations	36,395	50,885
Interest paid	(15,186)	(11,315)
Interest received	5,006	1,487
Income tax paid	(1,816)	(1,137)
Net cash inflow from operating activities	24,399	39,920
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(53,383)	(20,455)
Proceeds from sale of property, plant and equipment	50,010	2,913
Acquisition of equity investment in a jointly controlled entity	—	(203)
Additional equity investment in an associate	(208)	(8,107)
Proceeds from disposal of equity interest in an associate	7,672	—
Acquisition of available-for-sale investment	(194,933)	—
Loans to third parties	(490)	(11,000)
Repayments of loans from third parties	1,200	—
Dividend received	1,905	—
Advance deposit from proposed sale of Macau property	—	3,598
Receipts from redemption of preferred shares	50,080	39,044
Settlement of promissory notes	1,187	18,635
Net cash (outflow) / inflow from investing activities	(136,960)	24,425
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	89,528	570,835
Repayments of loans and borrowings	(149,039)	(263,340)
Payment of loan arrangement fees	—	(6,000)
Proceeds from issuance of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	37	185
Restricted cash	(1,968)	(1,901)
Net cash (outflow) / inflow from financing activities	(61,442)	299,779
Effect of exchange rate changes on cash and cash equivalents	(2,123)	(1,772)
Net (decrease) / increase in cash and cash equivalents	(176,126)	362,352
Cash and cash equivalents at 1 January	568,172	159,434
Cash and cash equivalents at 30 June	392,046	521,786

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company											
	Share capital	Share premium	Contributed surplus	Additional paid-in capital	Convertible bonds - equity component	Foreign currency translation adjustments	Cash flow hedge reserve	Fair value reserve	Retained earnings / (Accumulated losses)	Total	Non-controlling interests	Total equity
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Six months ended 30 June 2012												
unaudited												
At 1 January 2012	777,223	1,510,802	—	101,664	5,929	4,160	(5,674)	512	(255,982)	2,138,634	47,702	2,186,336
Comprehensive income:												
Profit for the period	—	—	—	—	—	—	—	—	38,036	38,036	(226)	37,810
Other comprehensive income / (loss) for the period:												
Foreign currency translation differences	—	—	—	—	—	8,705	—	—	—	8,705	—	8,705
Fair value loss on derivative financial instruments	—	—	—	—	—	—	(465)	—	—	(465)	—	(465)
Realised loss of derivative financial instruments transferred to profit or loss	—	—	—	—	—	—	(1,887)	—	—	(1,887)	—	(1,887)
Share of other comprehensive income / (loss) of a jointly controlled entity	—	—	—	1,716	—	—	(21,075)	—	—	(19,359)	—	(19,359)
Fair value loss on available-for-sale investment	—	—	—	—	—	—	—	(3,043)	—	(3,043)	—	(3,043)
Share premium reduction	—	(1,510,823)	936,823	—	—	—	—	—	574,000	—	—	—
Total comprehensive income	—	(1,510,823)	936,823	1,716	—	8,705	(23,427)	(3,043)	612,036	21,987	(226)	21,761
Transactions with owners:												
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	16	21	—	—	—	—	—	—	—	37	—	37
Amortisation of share option expense	—	—	—	950	—	—	—	—	—	950	—	950
At 30 June 2012	777,239	—	936,823	104,330	5,929	12,865	(29,101)	(2,531)	356,054	2,161,608	47,476	2,209,084

Condensed Consolidated Statement of Changes in Equity *(Continued)*

	Attributable to equity holders of the Company										
	Share capital US$'000	Share premium US$'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	Fair value reserve US$'000	Accumulated losses US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Six months ended 30 June 2011 (restated)											
unaudited											
At 1 January 2011	777,133	1,510,652	97,653	5,929	(6,758)	6,067	2,915	(438,186)	1,955,405	44,479	1,999,884
Comprehensive income:											
Profit for the period	—	—	—	—	—	—	—	60,654	60,654	(686)	59,968
Other comprehensive income / (loss) for the period:											
Foreign currency translation differences	—	—	—	—	8,664	—	—	—	8,664	—	8,664
Fair value gain on derivative financial instruments	—	—	—	—	—	3,823	—	—	3,823	—	3,823
Realised loss of derivative financial instruments transferred to profit or loss	—	—	—	—	—	(2,942)	—	—	(2,942)	—	(2,942)
Share of other comprehensive income of a jointly controlled entity	—	—	300	—	—	9,165	—	—	9,465	—	9,465
Fair value loss on available- for-sale investment	—	—	—	—	—	—	(909)	—	(909)	—	(909)
Total comprehensive income	—	—	300	—	8,664	10,046	(909)	60,654	78,755	(686)	78,069
Transactions with owners:											
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	66	119	—	—	—	—	—	—	185	—	185
Amortisation of share option expense	—	—	433	—	—	—	—	—	433	—	433
At 30 June 2011	777,199	1,510,771	98,386	5,929	1,906	16,113	2,006	(377,532)	2,034,778	43,793	2,078,571

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

Genting Hong Kong Limited (the "Company") is an exempted company continued into Bermuda with limited liability and the shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and traded on the GlobalQuote 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.

These unaudited condensed consolidated interim financial information has been approved for issue by the Board of Directors on 24 August 2012.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The preparation of the unaudited condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The unaudited condensed consolidated interim financial information are prepared under the historical cost convention, as modified by the revaluations of certain financial assets and financial liabilities (including derivative instruments) which are carried at fair value. In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2011.

The Group's operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire financial year. This interim report should be read where relevant, in conjunction with the annual report of the Group for the year ended 31 December 2011 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated interim financial information are consistent with those used in the annual report for the year ended 31 December 2011, except that the Group has adopted the following revised HKAS standard:

HKAS 12 (Amendment), 'Deferred tax recovery of underlying assets' (effective from 1 January 2012). HKAS 12, 'Income taxes', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in HKAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, HK(SIC) 21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into HKAS 12 the remaining guidance previously contained in HK(SIC) 21, which is withdrawn. The amendments do not have a material impact on the Group's financial information.

Apart from the impact mentioned above and certain presentational changes, the adoption of this revised HKAS standard has no significant impact on the Group's financial information. Where necessary, comparative information has been reclassified and expanded from previously reported consolidated interim financial information to take into account any presentational change made in the annual financial statements or in these unaudited condensed consolidated interim financial information.

The Group has adopted HK(IFRIC) - Int 13 to recognise 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. In 2011, the Group reassessed the measurement basis used for calculating the fair value of customer loyalty award credits for redemption of cabin onboard and measurement basis used in prior years was inappropriate as it did not fully reflect the historical redemption pattern. As a result, prior period adjustment has been made to correct the provision against customer loyalty award credits.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION *(Continued)*

In accordance with HKAS 23, an entity is required to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. In 2011, the Group conducted a comprehensive review of the borrowing costs across the Group's operations to ensure full compliance with HKAS 23. As a result, prior period adjustment has been made to the share of profits from a jointly controlled entity in the 2011 comparative figure to conform fully to the requirements of HKFRS. The adjustment is primarily to capitalise the relevant borrowing costs associated with the construction of a qualifying asset by the jointly controlled entity which were expensed in prior years.

The effect of these retrospective adjustments are summarised as follows:

	As previously reported *US$'000*	Adjustment related to customer loyalty award credits *US$'000*	Adjustment related to borrowing costs *US$'000*	As restated *US$'000*
Group				
For the six month period ended 30 June 2011				
Turnover	227,046	(3,233)	—	223,813
Share of profit of jointly controlled entities	40,845	—	1,451	42,296
Profit for the period	61,750	(3,233)	1,451	59,968
Profit attributable to equity holders of the Company	62,436	(3,233)	1,451	60,654
Earnings used to determine diluted earnings	66,927	(3,233)	1,451	65,145
Basic earnings per share (US cents)	0.83	(0.05)	0.02	0.80
Diluted earnings per share (US cents)	0.81	(0.04)	0.02	0.79

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011.

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

3. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the operation of passenger cruise ships. Senior management reviews the performance and makes operating decisions and resources allocation based on the Group's internal reports. The Group's business is considered from a cruise operation and a non-cruise operation perspective. Accordingly, two reportable segments namely, cruise and cruise related activities and charter hire and others are identified.

Cruise and cruise related revenues comprise sales of passenger tickets which include air transportation to and from the cruise ship, and revenues from onboard services and other related services, including gaming, shore excursion, food and beverage. Other operations of the Group comprise charter hire and others, none of which are of a significant size to be reported separately.

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment information of the Group is as follows:

unaudited Six months ended 30 June 2012	Cruise and cruise related activities *US$'000*	Charter hire and others *US$'000*	Total *US$'000*
Passenger ticket revenue	55,393	—	55,393
Onboard and other revenues	21,501	—	21,501
Gaming revenue	129,003	—	129,003
Charter hire and others	—	11,716	11,716
Total turnover	205,897	11,716	217,613
Segment results	4,914	1,032	5,946
Share of profit of jointly controlled entities			38,874
Share of profit of associates			220
Other income, net			5,444
Finance income			5,006
Finance costs			(18,376)
Profit before taxation			37,114
Taxation credit			696
Profit for the period			37,810

unaudited As at 30 June 2012	Cruise and cruise related activities *US$'000*	Charter hire and others *US$'000*	Total *US$'000*
Segment assets	2,141,001	963,784	3,104,785
Unallocated assets			—
Total assets			3,104,785
Segment liabilities	183,291	5,796	189,087
Loans and borrowings (including current portion)	625,975	78,696	704,671
	809,266	84,492	893,758
Tax liabilities			1,943
Total liabilities			895,701
Capital expenditure	52,681	702	53,383
Depreciation and amortisation	23,820	7,138	30,958

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

unaudited Six months ended 30 June 2011 (restated)	Cruise and cruise related activities *US$'000*	Charter hire and others *US$'000*	Total *US$'000*
Passenger ticket revenue	54,527	—	54,527
Onboard and other revenues	19,156	—	19,156
Gaming revenue	136,704	—	136,704
Charter hire and others	—	13,426	13,426
Total turnover	210,387	13,426	223,813
Segment results	34,353	(14,083)	20,270
Share of profit of jointly controlled entities			42,296
Share of loss of associates			(191)
Other income, net			13,764
Finance income			1,487
Finance costs			(15,791)
Profit before taxation			61,835
Taxation expenses			(1,867)
Profit for the period			59,968

audited As at 31 December 2011	Cruise and cruise related activities *US$'000*	Charter hire and others *US$'000*	Total *US$'000*
Segment assets	2,054,438	1,067,819	3,122,257
Unallocated assets			—
Total assets			3,122,257
Segment liabilities	166,558	5,640	172,198
Loans and borrowings (including current portion)	742,150	18,737	760,887
	908,708	24,377	933,085
Tax liabilities			2,836
Total liabilities			935,921
Capital expenditure	33,483	2,626	36,109
Depreciation and amortisation	48,907	24,671	73,578

No geographical information is shown as the turnover and operating profit of the Group are substantially derived from activities in Asia-Pacific region.

4. OTHER INCOME, NET

	Six months ended 30 June 2012 *US$'000 unaudited*	2011 *US$'000 unaudited*
Gain on disposal of property, plant and equipment (note (a))	7,143	—
Loss on disposal of an associate (note (b))	(512)	—
Damages claim from a litigation (note (c))	—	13,300
Loss on deemed disposal of a jointly controlled entity (note (d))	—	(726)
Loss on derivative financial instruments	(13)	(73)
(Loss) / Gain on foreign exchange	(1,435)	1,369
Other income / (expenses), net	261	(106)
	5,444	13,764

Notes:

(a) In June 2012, the Group disposed of a vessel for US$259.3 million and recorded a realised gain on disposal of the vessel of approximately US$7.1 million.

(b) In May 2012, the Group disposed of its entire interest in Resorts World Inc Pte. Ltd. for approximately US$7.7 million and recorded a loss on disposal of the associate of approximately US$0.5 million.

(c) In June 2011, the Group agreed to an out-of-court settlement of US$13.3 million in relation to the non-completion by Louis Plc. of the sale and purchase contract for m.v. Norwegian Dream.

(d) In June 2011, the Group diluted its existing equity interest of Star Cruises Hong Kong Management Services Philippines, Inc. from 64% to 32% and recorded a loss on deemed disposal of the jointly controlled entity of approximately US$0.7 million.

5. FINANCE COSTS

	Six months ended 30 June 2012 *US$'000 unaudited*	2011 *US$'000 unaudited*
Amortisation of:		
– bank loans arrangement fees and commitment fee	1,885	1,923
Interest on:		
– bank loans and others	6,654	7,522
– convertible bonds	4,592	4,491
– RMB bonds	5,245	—
Amortised loan arrangement fees written off	—	1,855
Total finance costs	18,376	15,791

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging the following:

	Six months ended 30 June 2012 *US$'000 unaudited*	2011 *US$'000 unaudited*
Total depreciation and amortisation analysed into:	30,958	37,999
– relating to operating function	27,727	35,991
– relating to selling, general and administrative function	3,231	2,008
Fuel costs	30,266	25,252
Advertising expenses	4,283	4,001

7. TAXATION

	Six months ended 30 June 2012 US$'000 unaudited	2011 US$'000 unaudited
Overseas taxation		
– Current taxation	960	1,026
– Deferred taxation	44	38
	1,004	1,064
(Over) / under provision in respect of prior years		
– Current taxation	(1,777)	889
– Deferred taxation	77	(86)
	(696)	1,867

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 illustrated in the table above, based on the income which is subject to local tax in certain jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

	Six months ended 30 June 2012 US$'000 unaudited	2011 (restated) US$'000 unaudited
BASIC		
Earnings attributable to equity holders of the Company	38,036	60,654
Weighted average outstanding ordinary shares, in thousands	7,772,260	7,540,582
Basic earnings per share in US cents	0.49	0.80
DILUTED		
Earnings attributable to equity holders of the Company	38,036	60,654
Interest expense on convertible bonds	—	4,491
Earnings used to determine diluted earnings per share	38,036	65,145
Weighted average outstanding ordinary shares, in thousands	7,772,260	7,540,582
Effect of dilutive ordinary shares, in thousands	14,049	710,406
– options	14,049	24,565
– convertible bonds	—	685,841
Weighted average outstanding ordinary shares after assuming dilution, in thousands	7,786,309	8,250,988
Diluted earnings per share in US cents	0.49	0.79

For the six months ended 30 June 2012, the effect of the assumed conversion of the convertible bonds of the Company was anti-dilutive.

9. LAND USE RIGHT

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
Carrying amount at the beginning of period / year	1,195	44,397
Amortisation of prepaid operating lease for the period / year	(16)	(1,088)
Classified to property, plant and equipment	—	(41)
Disposal during the period / year	—	(41,878)
Translation differences	—	(195)
Carrying amount at the end of period / year	1,179	1,195

10. INTERESTS IN JOINTLY CONTROLLED ENTITIES

The Group's interest in jointly controlled entities is as follows:

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
At 1 January	1,236,315	1,123,213
Unlisted investment in a jointly controlled entity	—	203
Share of profit of jointly controlled entities	39,049	128,349
Loss on deemed disposal of a jointly controlled entity	—	(726)
Share of reserves of a jointly controlled entity	(19,359)	(11,365)
Redemption of preferred shares	(50,080)	(10,189)
Dividend	—	(2,219)
Share of tax refund of a jointly controlled entity	1,750	—
Unrealised gain on disposal of property, plant and equipment (note 4)	(7,143)	—
Translation differences	10,047	9,146
Others	(3)	(97)
At 30 June 2012 / 31 December 2011	1,210,576	1,236,315

11. INTERESTS IN ASSOCIATES

The Group's interest in associates is as follows:

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
At 1 January	7,916	209
Acquisition of an associate during the period	208	—
Additional investments during the year	—	8,107
Disposal of an associate	(8,184)	—
Share of profit / (loss) of associates	225	(400)
At 30 June 2012 / 31 December 2011	165	7,916

12. AVAILABLE-FOR-SALE INVESTMENTS

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
At 1 January	3,907	6,310
Additions	194,933	—
Fair value losses recognised in equity	(3,043)	(2,403)
At 30 June 2012 / 31 December 2011	195,797	3,907
Less: non-current portion	(164,341)	(3,907)
Current portion	31,456	—

Available-for-sale investments include the following:

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
Listed investments:		
Equity securities – listed outside Hong Kong	154,802	3,907
Debt securities – listed outside Hong Kong	2,296	—
Debt securities – listed in Hong Kong	7,243	—
Unlisted investments:		
Certificate of deposits	31,456	—
	195,797	3,907

13. TRADE RECEIVABLES

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
Trade receivables	65,986	48,427
Less: Provisions	(2,309)	(1,551)
	63,677	46,876

13. TRADE RECEIVABLES *(Continued)*

The ageing analysis of the trade receivables is as follows:

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
Current to 30 days	54,171	35,480
31 days to 60 days	5,348	1,016
61 days to 120 days	2,250	3,974
121 days to 180 days	2,408	3,807
181 days to 360 days	419	2,620
Over 360 days	1,390	1,530
	65,986	48,427

Credit terms generally range from payment in advance to 45 days credit (31 December 2011: payment in advance to 45 days).

14. OTHER ASSETS, PREPAID EXPENSES AND OTHER RECEIVABLES

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
Other debtors, deposits and prepayments	21,978	27,221
Promissory notes and interest receivables	6,822	7,911
Damages claim receivables	9,500	9,500
Short term loan to third parties	10,903	11,614
Receivables from a jointly controlled entity relating to disposal of m.v. Norwegian Sky (note (a))	209,302	—
Amounts due from a jointly controlled entity	4,308	3,860
	262,813	60,106
Less: non-current portion	(187,405)	(10,614)
Current portion	75,408	49,492

Note:

(a) Out of the total consideration, US$50 million has been received by the Group. The remaining US$209.3 million will be settled in 7 equal principal installment payments plus interest up until 31 May 2016. Respective receivables from a jointly controlled entity of US$179.4 million (non-current portion) and US$29.9 million (current portion) have been recognised as at 30 June 2012.

15. 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*
unaudited				
At 1 January 2012 and 30 June 2012	10,000	1	19,999,990,000	1,999,999
audited				
At 1 January 2011 and 31 December 2011	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*
unaudited		
At 1 January 2012	7,772,230,872	777,223
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	160,000	16
At 30 June 2012	7,772,390,872	777,239
audited		
At 1 January 2011	7,771,326,406	777,133
Issue of ordinary shares pursuant to the Post-listing Employee Share Option Scheme	904,466	90
At 31 December 2011	7,772,230,872	777,223

16. LOANS AND BORROWINGS

Loans and borrowings consist of the following:

	As at 30 June 2012 *US$'000* *unaudited*	As at 31 December 2011 *US$'000* *audited*
Secured:		
US$600 million secured term loan and revolving credit facility	376,028	432,053
HK$195 million secured loan facility	—	16,769
RMB12.5 million entrustment loan (i)	3,936	1,968
Unsecured:		
Convertible bonds	98,552	97,708
RMB1.38 billion 3.95% bonds	213,355	212,389
Bank overdraft	12,800	—
	704,671	760,887
Less: Current portion	(62,786)	(71,281)
Long-term portion	641,885	689,606

Note:

(i) The RMB12.5 million entrustment loan is equivalent to the amount of restricted cash.

16. LOANS AND BORROWINGS *(Continued)*

Movement in loans and borrowings is analysed as follows:

	US$'000
Six months ended 30 June 2012	
Balance as at 1 January 2012	760,887
Proceeds from loans and borrowings	89,528
Repayments of loans and borrowings	(149,039)
Amortisation of loan arrangement fees	1,486
Convertible bonds and RMB1.38 billion bonds interest accrued for the period	9,837
Payment of convertible bonds and RMB1.38 billion bonds interest for the period	(8,028)
Balance as at 30 June 2012	704,671

	US$'000
Six months ended 30 June 2011	
Balance as at 1 January 2011	511,325
Proceeds from loans and borrowings	570,835
Repayments of loans and borrowings	(263,340)
Loan arrangement fees incurred for the period	(11,800)
Amortisation of loan arrangement fees	1,446
Loan arrangement fees written off	1,855
Convertible bonds interest accrued for the period	4,491
Payment of convertible bonds interest for the period	(3,749)
Balance as at 30 June 2011	811,063

17. 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 financial position date or that will be realised in the future and do not include expenses that could be included in an actual sale or settlement.

The Group entered into fuel swap agreements with an aggregate notional amount of US$12.3 million, to pay fixed price for fuel. As at 30 June 2012, the outstanding notional amount was approximately US$27.1 million, maturing through June 2013 and the estimated fair market value of the fuel swap was approximately US$1.4 million, which was unfavourable to the Group (31 December 2011: US$1.0 million favourable). This amount has been recorded within the current portion of the derivative financial instruments in the condensed consolidated statement 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 statement of comprehensive income as the underlying hedged items are recognised.

The fair values of the above instruments have been estimated using public market prices or quotes from reputable financial institutions. The Group had no significant concentrations of credit risk as at 30 June 2012.

18. TRADE CREDITORS

The ageing analysis of trade creditors is as follows:

	As at	
	30 June 2012	31 December 2011
	US$'000	*US$'000*
	unaudited	*audited*
Current to 60 days	22,432	24,299
61 days to 120 days	3,902	1,831
121 days to 180 days	2,655	619
Over 180 days	3,159	4,507
	32,148	31,256

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2011: no credit to 45 days).

19. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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 IFG International Trust Company Limited as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family, is a substantial shareholder of the Company.

Tan Sri Lim Kok Thay is the Chairman, Executive Director and Chief Executive Officer and a substantial shareholder of the Company.

Genting Berhad ("GENT"), a company in which Tan Sri Lim Kok Thay 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.

Upon completion of the disposal of 50% equity interest in WorldCard International Limited ("WCIL") by each of the Group and the GENS group to Resorts World Inc Pte. Ltd. ("RWI") on 4 November 2011, WCIL becomes a wholly-owned subsidiary of RWI. RWI is a company incorporated in Singapore and currently indirectly owned by GENT and Golden Hope as trustee of GHUT in equal share.

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") and Macau Land Investment Corporation ("MLIC"), which are 75%-owned subsidiaries of the Company.

Starmax Management Limited ("Starmax") is a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Kwan.

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.

Genting Intellectual Property Pte Ltd ("GIP") is a company incorporated in Singapore and a wholly-owned subsidiary of GENT. Star Market Holdings Limited ("SMHL") is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company.

19. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

NCL Corporation Ltd. ("Norwegian") is a jointly controlled entity 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.

Ample Avenue Limited ("AAL") is an exempted company continued into Bermuda and an indirect wholly-owned subsidiary of the Company.

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.

Each of Travellers International Hotel Group, Inc. ("Travellers"), 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. ("Starlet", 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 joint controlled entity of the Company.

KHRV Limited ("KHRV") is a company incorporated in the Isle of Man and wholly-owned by Golden Hope acting as trustee of GHUT.

Significant related party transactions entered into or subsisting between the Group and the above companies during the six months ended 30 June 2012 and 2011 are set out below:

(a) On 20 December 2010, the Company entered into new services agreements 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. For the six months ended 30 June 2012, (i) the amount charged to the Group in respect of secretarial, share registration, investor and other related services rendered by GMC was approximately US$6,000 (30 June 2011: US$12,000), (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$844,000 (30 June 2011: US$427,000), and (iii) the amount charged to the Group in respect of administrative and other support services rendered by the GENS group was approximately US$22,000 (30 June 2011: US$316,000 in respect of information technology and implementation, support and maintenance, administrative and other support services).

(b) On 31 March 2011, the Company entered into new services agreements 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. For the six months ended 30 June 2012, (i) the amount charged by the Group in respect of air ticket purchasing, travel related services and administrative services rendered to GENS group was approximately US$69,000 (30 June 2011: US$33,000) and (ii) no amount was charged by the Group in respect of the transactions contemplated under the relevant services agreement with GENM as the Group did not render any of these services to the GENM group during the period (30 June 2011: Nil).

(c) WCIL, together with its subsidiaries, operate and administer the WorldCard programme on an international basis (save for 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.

    The Group also implemented joint promotion and marketing programmes for the purpose of promoting the respective businesses of the Group and the GENM group.

    During the six months ended 30 June 2012 and 2011, the following transactions took place:

	Six months ended 30 June	
	2012	2011
	US$'000	*US$'000*
	unaudited	*unaudited*
Amounts charged from the GENT group to the Group	814	761
Amounts charged to the GENT group by the Group	1,017	617

19. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(d) On 29 May 2009, TIECL entered into a tenancy agreement with CCL in respect of the lease of an office area in Macau. During the six months ended 30 June 2012, the amount charged by CCL to the Group in respect of the rental amounted to US$58,000 (30 June 2011: US$69,000).

(e) On 1 January 2010, SCHK entered into a tenancy agreement with Rich Hope in respect of the lease of an apartment in Hong Kong. In view of the expiry of the tenancy agreement on 31 December 2011, the parties entered into a new tenancy agreement on 1 January 2012 for 2 years commencing from 1 January 2012. During the six months ended 30 June 2012, the amount charged by Rich Hope to SCHK in respect of the rental amounted to US$120,000 (30 June 2011: US$104,000).

(f) SCA entered into a tenancy agreement with Ambadell in respect of the lease of an office area in Australia. During the six months ended 30 June 2012, the amount charged by Ambadell to the Group in respect of the rental amounted to US$31,000 (30 June 2011: US$30,000).

(g) On 29 December 2011, CAL entered into the First Supplemental Agreement with RWS to renew the RWS services agreement entered into between the two parties, the term of which would be expiring on 31 December 2011, for a further period of one year from 1 January 2012 to 31 December 2012, 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$871,000 for the six months ended 30 June 2012 (30 June 2011: US$507,000).

Amounts outstanding at the end of each fiscal period in respect of the above transactions were included in the condensed consolidated statement of financial position within amounts due to related companies. The related party transactions described above were carried out on terms, conditions and prices comparable to transactions with independent parties.

(h) 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.

(i) 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.

(j) On 27 August 2010, NCLB entered into a charter agreement with AAL for a ship m.v. Norwegian Sky owned by AAL. Charter hire revenue received for this ship was US$8.7 million for the six months ended 30 June 2012 (30 June 2011: US$10.9 million). The charter agreement provided NCLB as the charterer with an option to purchase m.v. Norwegian Sky during the charter period. On 1 June 2012, pursuant to the purchase option under the above charter agreement, AAL as seller entered into an agreement with NSL as buyer nominated by NCLB, in relation to the disposal of m.v. Norwegian Sky at a consideration of approximately US$259.3 million.

(k) Famous City Holdings Limited ("Famous City") and Star Cruise Pte Ltd ("SCPL"), both 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 six months ended 30 June 2012, the amount charged by Travellers to the Group in respect of the rental amounted to US$0.2 million (30 June 2011: US$0.2 million).

19. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(l) 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 six months ended 30 June 2012, service revenue received from GSTA and GMS was US$84,000 (30 June 2011: US$166,000).

(m) On 23 November 2010, SMHL entered into a Subscription Agreement with then other four investors, being companies wholly-owned by GENT, GENM, GENS and Golden Hope (as trustee of GHUT), in relation to the subscription of 20% of the enlarged issued share capital of RWI for SGD750,000 each. On 10 June 2011, SMHL and the then other four investors further subscribed for additional shares in proportion to their respective 20% shareholdings in RWI for SGD10 million each, for engaging through RWI's subsidiaries in the business of licensing of trademarks and intellectual property rights and the provision of membership loyalty network services, promoting and marketing services as well as management and technical support services. On 25 May 2012, SMHL entered into the respective agreements with GIP and KHRV for sale and purchase of shares in RWI whereby SMHL agreed to transfer a total of 10,750,000 ordinary voting shares (representing 20% of the issued share capital) in RWI to GIP and KHRV in equal share at an aggregate consideration of SGD9,675,000. The Group ceased to have any shareholding in RWI upon completion of the disposal on 29 May 2012.

(n) On 16 June 2011, MLIC accepted the offer from Starmax to dispose of the entire issued capital of Fancy Star Holdings Limited, a wholly-owned subsidiary of MLIC which indirectly holds Tower 6 of Nova City in Macau, for HK$560 million. On 29 July 2011, MLIC entered into a sale and purchase agreement with Starmax in respect of the said disposal and this transaction was completed on 14 November 2011.

(o) On 30 November 2010, Genting Philippines Holdings Limited ("GPHL"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, has entered into a subscription and shareholders' agreement with IRMS, whereby each of GPHL and IRMS agreed to subscribe 50% interest for SGD250,000 in Starlet, for engaging in the business of development, operation and management of casinos in various jurisdictions. The transaction which was completed in June 2011, resulted in the Group recording a loss on deemed disposal of US$0.7 million during the six months ended 30 June 2011.

(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 six months ended 30 June 2012, the amount charged by CAL to NCLB in respect of the services amounted to US$124,800 (30 June 2011: US$116,000).

(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 six months ended 30 June 2012, the amount charged by Famous City to Travellers in respect of the services amounted to US$344,000 (30 June 2011: US$87,000).

(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 six months ended 30 June 2012, service revenue received from Travellers was US$477,000 (30 June 2011: Nil).

(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 six months ended 30 June 2012, mobilization fee and service revenue received from SCHKMS were Nil (30 June 2011: Nil) and US$43,000 (30 June 2011: Nil) respectively.

(t) On 2 November 2011, Star Cruises China Holdings Limited ("SCCH"), an indirect wholly-owned subsidiary of the Company and 3rd Valley (Zhang Jia Kou) Resort Corporation ("3rd Valley"), a company in which Golden Hope (as trustee of the GHUT) has 30% indirect equity interest, 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 ("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. During the six months ended 30 June 2012, the amount charged by SCCH to 3rd Valley in respect of such consultancy services was US$182,000 (30 June 2011: Nil). On 16 April 2012, SCCH and 3rd Valley entered into a hotel management agreement in respect of the provision of management services by SCCH for the Hotel. During the six months ended 30 June 2012, the amount charged by SCCH to 3rd Valley in respect of such management services was Nil (30 June 2011: Nil).

19. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(u) 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 six months ended 30 June 2012, the amount charged by GIML to SMHL in respect of the annual license fee was US$5,000 (30 June 2011: Nil).

(v) On 3 May 2012, Bateson Capital Limited ("Bateson"), a wholly-owned subsidiary of the Company and Genting Singapore Aviation, a wholly-owned subsidiary of GENS, entered into a sale and purchase agreement in respect of the purchase of an aircraft by Bateson at the consideration of US$19,300,000.

20. CAPITAL COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure

Capital expenditure contracted but not provided for at the statement of financial position date are as follows:

	As at	
	30 June 2012	31 December 2011
	US$'000	*US$'000*
	unaudited	*audited*
Contracted but not provided for – Property under development	9,291	32,666

(ii) Material litigation and contingencies

There were no material updates to the information disclosed in the Group's annual report for the year ended 31 December 2011.

As disclosed in the 2011 Annual Report, on 29 February 2012, the Bureau of Internal Revenue ("BIR") in the Philippines issued BIR Revenue Memorandum Circular No. 8-2012 which affirmed the non-exemption from corporate income taxation of the Philippine Amusement and Gaming Corporation ("PAGCOR") by virtue of the amendment of Section 1, RA 9337 of Section 27(c) of the National Internal Revenue Code of 1997.

There has been no significant development during the period on the uncertainty on whether the non-exemption of corporate income taxation of the PAGCOR will be extended to PAGCOR licensees, such as Travellers and its subsidiaries ("Travellers Group"). Hence, no provision has been recognised in the unaudited condensed consolidated interim financial information as at 30 June 2012.

Interim Dividend

The Directors do not recommend the declaration of interim dividend in respect of the six months ended 30 June 2012.

Management's Discussion and Analysis

The following discussion is based on, and should be read in conjunction with, the unaudited condensed consolidated interim financial information and the notes thereto included elsewhere in this interim report and the annual report of the Group for the year ended 31 December 2011.

Terminology

Net revenue represents total revenues less commissions, transportation and other expenses, and onboard and other expenses.

Net yield represents net revenue per capacity day. The Group utilises net yield to manage its business on a day-to-day basis and believes that it is the most relevant measure of the pricing performance and is commonly used in the cruise industry to measure pricing performance.

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

EBITDA represents earnings before interest and other income (expense) including taxes, and depreciation and amortisation. The Group uses EBITDA to measure operating performance of the business.

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

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.

Six months ended 30 June 2012 ("1H 2012") compared with six months ended 30 June 2011 ("1H 2011")

The Group

Turnover

The Group's total revenue for 1H 2012 was US$217.6 million, a decrease of 2.8% from US$223.8 million in 1H 2011. The decrease in total revenue was mainly due to lower charter income following the disposal of m.v. Norwegian Sky in June 2012 and lower gaming revenue.

Passenger ticket revenue increased 1.6% mainly attributable to improvement in yield in Hong Kong, Taiwan and Malaysia region.

Onboard revenue increased 12.2% due to m.v. SuperStar Aquarius began its maiden Sanya route since November 2011.

Cost and expenses

Total costs and expenses before finance costs and other items for 1H 2012 amounted to US$211.7 million compared with US$203.5 million in 1H 2011, an increase of US$8.2 million.

Operating expenses excluding depreciation and amortisation increased US$9.3 million (7.2%) to US$139.5 million in 1H 2012 from US$130.2 million in 1H 2011, primarily due to the deployment of m.v. SuperStar Aquarius in Sanya, payroll and higher fuel expenditure. In 1H 2012, Star Asia's average fuel price rose approximately 22.3% from US$583 per metric ton in 1H 2011 to US$713 per metric ton in 1H 2012. Excluding fuel expenses, total operating expenses increased 4.1% and decrease 6.5% on a per capacity day basis compared with 1H 2011.

Selling, general and administrative expenses excluding depreciation and amortisation increased by US$5.8 million (16.5%) to US$41.2 million in 1H 2012 from US$35.4 million in 1H 2011 mainly due to higher salary related costs in 1H 2012.

Depreciation and amortisation expenses decreased by US$7.0 million (18.5%) primarily due to the reclassification of m.v. Norwegian Sky to non-current asset held for sale since March 2012 and the disposal of a property in Macau in November 2011.

EBITDA

The Group's EBITDA in 1H 2012 was US$36.9 million, a decrease of 36.7% from US$58.3 million in 1H 2011.

Finance costs

Finance costs increased by US$2.6 million to US$18.4 million in 1H 2012 compared to US$15.8 million in 1H 2011, primarily due to the increase in interest expenses for the RMB1.38 billion bonds issued in June 2011.

Other income, net

Net other income was US$5.4 million in 1H 2012 compared with US$13.8 million in 1H 2011. During 1H 2012, net other income mainly comprised the realised gain of approximately US$7.1 million on the disposal of a vessel, m.v. Norwegian Sky in June 2012.

During 1H 2011, the net other income mainly comprised the agreed settlement of US$13.3 million in relation to the non-completion by Louis Plc. of the sale and purchase contract for m.v. Norwegian Dream.

Profit before taxation

Profit before taxation in 1H 2012 was US$37.1 million compared to profit before taxation of US$61.8 million in 1H 2011.

Profit attributable to equity holders

Net profit attributable to equity holders of the Company was US$38.0 million in 1H 2012 compared with net profit attributable to equity holders of US$60.7 million in 1H 2011.

The operating data of the Group is as follows:

	Six months ended 30 June	
	2012	2011
Passenger Cruise Days	671,120	778,166
Capacity Days	1,036,482	930,915
Occupancy as a percentage of total capacity days	65%	84%

Liquidity and financial resources

As at 30 June 2012, cash and cash equivalents amounted to US$392.0 million, a decrease of US$176.2 million compared with US$568.2 million as at 31 December 2011. The decrease in cash and cash equivalents was primarily due to net cash outflow from financing and investing activities, including the net US$59.5 million repayment of loans and borrowings, US$194.9 million acquisition in available-for-sale investments and US$53.4 million capital expenditure. The net cash outflow was partially offset by net cash inflow from operating and investing activities, including US$50 million sales proceeds from disposal of a vessel and US$50 million receipts from redemption of preferred shares in a jointly controlled entity.

Majority of the Group's cash and cash equivalents are held in U.S. dollars, Singapore dollars, Renminbi, Hong Kong dollars and Ringgit Malaysia. The Group's liquidity as at 30 June 2012 was US$392.1 million (31 December 2011: US$692.0 million), comprising cash and cash equivalents and undrawn credit facilities.

Total loans and borrowings as at 30 June 2012 was US$704.7 million (31 December 2011: US$760.9 million), denominated in U.S. dollars, Renminbi and Hong Kong dollars. Approximately 41% (31 December 2011: 38%) of the Group's loans and borrowings was under fixed rate and 59% (31 December 2011: 62%) was under floating rate, after taking into consideration the effect of loan origination costs. Loans and borrowings of US$62.8 million (31 December 2011: US$71.3 million) are repayable within 1 year. The outstanding borrowings of the Group are secured by legal charges over assets including fixed and floating charges of US$0.7 billion (31 December 2011: US$1.1 billion).

The gearing ratio of the Group as at 30 June 2012 was 0.14 times, an increase from 0.09 times as at 31 December 2011. The gearing ratio is calculated as net debt divided by total equity. Net debt of approximately US$0.31 billion (31 December 2011: US$0.19 billion) is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. The total equity of the Group is approximately US$2.21 billion (31 December 2011: US$2.19 billion).

The Group adopts a prudent treasury policy with all financing and treasury activities managed and controlled at its corporate head office. The Group manages its fuel exposure primarily through fuel swap agreements. It is also the Group's policy that hedging will not be performed in excess of actual requirement. The Group also applies a fuel surcharge to mitigate the fluctuation in fuel prices.

Prospects

Star Asia continues to fine tune its products, increase its onboard retail offerings and expand its deployment routes to target a wider clientele base. Norwegian Dream will be renamed to SuperStar Gemini and deployed in North Asia in early 2013 after its major refurbishment and maintenance in 2nd half of 2012. m.v. SuperStar Aquarius will be preparing a series of promotions for its return deployment in Sanya in November 2012, and Hainan permanent residents with valid identity cards will be able to enjoy various exciting itineraries to Vietnam without a visa permit following the issuance of cross border passes by the Hainan Government in March this year.

Travellers is constantly upgrading the Resorts World Manila property to expand its leisure and entertainment offerings, including construction of additional luxury hotels, additional hotel room capacity at Marriott Hotel Manila and a new convention centre comprising 14 function rooms and 4 ball rooms which is expected to be completed in 2013.

After a successful year in 2011, Norwegian Group continues to strengthen its market position in the cruise industry and looks forward to the delivery of its two new vessels, Norwegian Breakaway and Norwegian Getaway, in the springs of 2013 and 2014 respectively. Norwegian Breakaway will be homeported in New York City and become the city's signature ship. She will feature an unparalleled multi-storey Aqua Park with five full-size water slides, Broadway shows, nationally renowned entertainment companies and a celebrity chef together with its exciting itineraries.

Norwegian Group

The commentary below is prepared based on Norwegian Group's US GAAP financial statements.

Total revenue increased 3.2% in 2012 compared to 2011. Net revenue increased 3.6% in 2012, primarily due to an increase in capacity days of 1.9% and an increase in net yield of 1.6%. The increase in capacity days in 2012 was primarily due to the timing of certain repairs and maintenance and the increase in net yield was primarily due to an increase in passenger ticket pricing.

Total ship operating expense increased 2.0% in 2012 compared to 2011 due to higher ship operating expenses. The increase in ship operating expenses was primarily due to an increase in fuel expense as a result of a 15% increase in the average fuel price to US$640 per metric ton in 2012 from US$557 per metric ton in 2011, primarily offset by the timing of certain repairs and maintenance expense. On a capacity day basis, net cruise cost decreased slightly as the impact from the timing of certain repairs and maintenance expense was primarily offset by the increase in fuel expense discussed above. Excluding fuel expense, net cruise cost per capacity day decreased 3.5%.

Interest expense, net increased to US$95.1 million in 2012 from US$94.6 million in 2011 primarily due to higher average interest rates and the write-off of deferred financing fees related to the prepayment of certain of our credit facilities.

Travellers Group

In 1H 2012, Travellers Group reported US$358.4 million in total revenues and US$84.8 million in EBITDA, compared with US$280.6 million total revenues and US$88.2 million EBITDA in 1H 2011. The increase in total revenues was mainly due to higher contribution from gaming.

Total operating expenses amounted to US$100.1 million in 1H 2012, compared with US$77.7 million in 1H 2011, which is mainly due to the increase of new hires to support the expansion in operations, as well as marketing and advertising efforts to promote the integrated resort.

Finance costs amounted to US$18.1 million in 1H 2012, compared with US$16.0 million in 1H 2011, mainly related to the interest on bank borrowings and US$300.0 million 7-year bond issued in October 2010 to finance capital and project expenditures and for general corporate purposes.

Net income decreased from US$54.0 million in 1H 2011 to US$43.2 million in 1H 2012.

As disclosed in the 2011 Annual Report, on 29 February 2012, the Bureau of Internal Revenue ("BIR") in the Philippines issued BIR Revenue Memorandum Circular No. 8-2012 which affirmed the non-exemption from corporate income taxation of the Philippine Amusement and Gaming Corporation ("PAGCOR") by virtue of the amendment of Section 1, RA 9337 of Section 27(c) of the National Internal Revenue Code of 1997.

There has been no significant development during the period on the uncertainty on whether the non-exemption of corporate income taxation of the PAGCOR will be extended to PAGCOR licensees, such as Travellers Group. Hence, no provision has been recognised in the unaudited condensed consolidated interim financial information as at 30 June 2012.

Interests of Directors

As at 30 June 2012, 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	362,703,613	36,298,108 *(1)*	2,035,982,196 *(2)*	4,974,882,524 *(3)*	5,920,513,153 *(4)*	76.174

Notes:

As at 30 June 2012:

(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 2,035,982,196 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 1,432,959,180 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 IFG International Trust Company Limited respectively), had a deemed interest in 4,974,882,524 ordinary shares.

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

(5) 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. Interests of the Director 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 30 June 2012, 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	10,796,439	0.139	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.

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 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

Name of associated corporation	Name of Director	Nature of interests/ capacity in which such interests were held: Interests of spouse	Interests of controlled corporation	Founder/ Beneficiary of discretionary trusts	Total	Percentage of issued ordinary shares
		Number of ordinary shares *(Notes)*				
Starlet Investments Pte. Ltd. ("Starlet") *(1)*	Tan Sri Lim Kok Thay	250,000 *(2)*	250,000 *(3)*	250,000 *(4)*	500,000 *(13 and 14)*	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 *(13 and 14)*	40
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 *(13 and 14)*	100

Interests of Directors *(Continued)*

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

Notes:

As at 30 June 2012:

(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 was owned as to 40% by Starlet.

(6) As the spouse of Puan Sri Wong Hon Yee, Tan Sri Lim Kok Thay had a family interest in 2,000 ordinary 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 ordinary shares of SC Alliance directly held by Starlet in which IRMS had a 50% interest, by virtue of his interests in a chain of corporations holding Starlet.

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

(9) SCHKMS was owned as to (i) 60% by SC Alliance which was in turn owned as to 40% by Starlet; 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, by virtue of his interests in a chain of corporations holding SC Alliance and 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) There was no duplication in arriving at the total interest.

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

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

(a) as at 30 June 2012, 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 period was the Company and its 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 any other body corporate.

Share Options

Details of the Company's Post-listing Employee Share Option Scheme are set out in the published annual report of the Company for the year ended 31 December 2011. 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 period and outstanding as at 30 June 2012 were as follows:

Post-listing Employee Share Option Scheme

	Number of options outstanding at 01/01/2012	Number of shares acquired upon exercise of options during the period	Number of options lapsed during the period	Number of options cancelled during the period	Number of options outstanding at 30/06/2012	Date granted	Exercise price per share	Exercisable period
Tan Sri Lim Kok Thay (Director)	3,163,699	—	—	—	3,163,699	19/08/2002	HK$2.8142	20/08/2004 – 19/08/2012
	632,740	—	—	—	632,740	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
	10,796,439	—	—	—	**10,796,439**			
Mr. William Ng Ko Seng (Alternate Director to Tan Sri Lim Kok Thay up to 6 June 2012) *(Note 1)*	584,069	—	—	—	584,069	19/08/2002	HK$2.8142	20/08/2004 – 19/08/2012
	1,500,000	—	—	—	1,500,000	27/05/2008	HK$1.7800	28/05/2009 – 27/05/2018
	2,084,069	—	—	—	**2,084,069**			
All other employees	52,902,188	—	—	—	52,902,188	19/08/2002	HK$2.8142	20/08/2004 – 19/08/2012
	542,757	—	—	—	542,757	08/09/2003	HK$2.8142	09/09/2005 – 08/09/2013
	9,344,776	—	—	—	9,344,776	23/08/2004	HK$1.6202	24/08/2006 – 23/08/2014
	22,605,000	(160,000) *(Note 2)*	—	—	22,445,000	27/05/2008	HK$1.7800	28/05/2009 – 27/05/2018
	12,395,000	—	(245,000)	—	12,150,000	16/11/2010	HK$3.7800	16/11/2011 – 15/11/2020
	97,789,721	**(160,000)**	**(245,000)**	—	**97,384,721**			
Grand Total	**110,670,229**	**(160,000)**	**(245,000)**	—	**110,265,229**			

Notes:

(1) Mr. William Ng Ko Seng had retired as the Alternate Director to Tan Sri Lim Kok Thay with effect from the closing of the annual general meeting of the Company held on 6 June 2012.

(2) At the dates before the options were exercised, the weighted average market closing value per share quoted on the Stock Exchange was HK$2.3619.

Share Options *(Continued)*

Other than (i) the share options granted on 23 August 2004 which become exercisable in part or in full for a period of eight years commencing from two years after the date of offer; (ii) the share options granted on 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 (iii) the share options granted on 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, the outstanding share options under the Post-listing Employee Share Option Scheme vest in seven tranches over a period of ten years from their respective dates of offer and become exercisable as to 30% and 20% of the amount granted commencing from two years and three years respectively after the dates of offer, with the remaining options exercisable annually in equal tranches of 10% commencing in each of the following years. 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 30 June 2012, 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)*	—	—	1,453,055,180 *(11)*	1,453,055,180 *(13)*	—	1,453,055,180 *(20)*	18.70
Kien Huat International Limited *(2)*	—	—	1,453,055,180 *(11)*	—	—	1,453,055,180	18.70
Kien Huat Realty Sdn. Berhad *(3)*	—	—	1,453,055,180 *(11)*	—	—	1,453,055,180	18.70
Genting Berhad *(4)*	—	—	1,453,055,180 *(11)*	—	—	1,453,055,180	18.70
Genting Malaysia Berhad *(5)*	—	—	1,432,959,180 *(12)*	—	—	1,432,959,180	18.44
Sierra Springs Sdn Bhd *(6)*	—	—	1,432,959,180 *(12)*	—	—	1,432,959,180	18.44
Resorts World Limited *(6)*	1,432,959,180	—	—	—	—	1,432,959,180	18.44
IFG International Trust Company Limited (as trustee of a discretionary trust) *(7)*	—	—	3,521,827,344 *(14)*	3,521,827,344 *(15)*	3,521,827,344 *(17)*	3,521,827,344 *(20)*	45.31
Cove Investments Limited (8)	—	—	—	—	3,521,827,344 *(18)*	3,521,827,344	45.31
Golden Hope Limited (as trustee of Golden Hope Unit Trust) *(9)*	—	—	—	3,521,827,344 *(16)*	—	3,521,827,344	45.31
Joondalup Limited *(10)*	546,628,908	—	—	—	—	546,628,908	7.03
Puan Sri Wong Hon Yee	—	5,920,513,153 *(19(a))*	36,298,108 *(19(b))*	—	—	5,920,513,153 *(20)*	76.17

Interests of Substantial Shareholders *(Continued)*

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

Notes:

As at 30 June 2012:

(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") and certain members of his family. Tan Sri KT Lim controlled an aggregate of 33.33% of the equity interest in Parkview directly and indirectly.

(2) Kien Huat International Limited ("KHI") was a private company, the voting shares of which are 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 are 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 39.63% 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 49.32% 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) IFG International Trust Company Limited ("IFG") was the trustee of a discretionary trust (the "Discretionary Trust 2"), the beneficiaries of which were Tan Sri KT Lim and certain members of his family. IFG 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 IFG 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 1,453,055,180 ordinary shares (comprising the same block of 1,432,959,180 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 1,432,959,180 ordinary shares held directly by RWL.

(13) The interest in 1,453,055,180 ordinary shares was held by Parkview in its capacity as trustee of the Discretionary Trust 1 and it comprised the same block of 1,432,959,180 ordinary shares held directly by RWL and the same block of 20,096,000 ordinary shares held directly by GOHL.

(14) IFG as trustee of the Discretionary Trust 2 had a corporate interest in the same block of 3,521,827,344 ordinary shares held directly by Golden Hope as trustee of GHUT.

(15) IFG in its capacity as trustee of the Discretionary Trust 2 had a deemed interest in the same block of 3,521,827,344 ordinary shares held directly by Golden Hope as trustee of GHUT.

(16) The interest in 3,521,827,344 ordinary shares was held directly by Golden Hope in its capacity as trustee of GHUT.

(17) IFG as trustee of the Discretionary Trust 2 was deemed to have interest in the same block of 3,521,827,344 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 3,521,827,344 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 5,920,513,153 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) There was no duplication in arriving at the total interest.

(21) 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.

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	10,796,439 *(Note)*	0.139	Interests of spouse

Note:

As at 30 June 2012, Puan Sri Wong as the spouse of Tan Sri KT Lim, was deemed to have a family interest in 10,796,439 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 30 June 2012, 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.

Disclosure of Information on Directors pursuant to Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the Company discloses the following changes in information on Mr. Alan Howard Smith, the Deputy Chairman and an Independent Non-executive Director of the Company:

(a) he has been appointed as an Independent Non-executive Director of Wheelock and Company Limited, which is listed on the Stock Exchange; and

(b) he also acts as a Director of Asian Credit Hedge Fund, which had been listed on the Irish Stock Exchange but was voluntarily delisted in July 2012.

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 Agreement of the Group

The Group is a party to a facility agreement entered into in November 2010 for an aggregate principal amount of US$600 million (the "US$600 million Facility Agreement"), with a term of 7 years from the Closing Date (as defined in the US$600 million Facility Agreement). As at 30 June 2012, the outstanding loan balance was approximately US$392.5 million.

Pursuant to the US$600 million Facility Agreement, the Lim Family (as defined therein, including the late Tan Sri Lim Goh Tong (the father of Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer of the Company), his family members, the personal estate of any of the above persons and any trust created for the benefit of one or more of the above persons and their respective estates) is required to hold (directly or indirectly) together or individually, the largest percentage of the issued share capital of, and equity interest in, the Company. The holding of the Lim Family 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, Hong Kong (Disclosure of Interests) and in addition, any interest in the Company held by GENT, GENM and their respective Affiliates (as defined in the US$600 million Facility Agreement).

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the six months ended 30 June 2012, save for the issuance of 160,000 new ordinary shares of US$0.10 each at an aggregate price of approximately HK$284,800 pursuant to the exercise of options granted under the Post-listing Employee Share Option Scheme.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

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 during the six months ended 30 June 2012 as its code of conduct regarding securities transactions by its Directors. All Directors have confirmed, following specific enquiry by the Company, that during the period from 1 January 2012 to 30 June 2012 (both dates inclusive), they have complied with the required standard set out in the Model Code as contained in Appendix 10 of the Listing Rules in force during the said period.

Corporate Governance

In the opinion of the Directors, during the six months ended 30 June 2012, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) as contained in Appendix 14 of the Listing Rules (the "Code Provisions"), save for the deviations from the relevant Code Provisions A.2.1, A.6.7, E.1.2 and F.1.3 as described below:

(a) In respect of Code Provision A.2.1, the roles of Chairman and Chief Executive Officer of the Company are performed by the same individual. Considered reasons for the said deviation were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2011 issued in April 2012.

(b) In respect of Code Provisions A.6.7 and E.1.2, the Chairman and two other Directors of the Company were unable to attend the Company's 2012 annual general meeting due to other engagements. Mr. Heah Sieu Lay (the Chairman of the Audit Committee and an Independent Non-executive Director of the Company) chaired the said general meeting pursuant to the Company's Bye-laws and he, together with other members of the Audit, Remuneration and Nomination Committees and the external auditor of the Company, was available to answer questions at the general meeting.

(c) In respect of Code Provision F.1.3, the Board is of the view that the current arrangement for the Company Secretary of the Company to report to the Board of Directors on Board matters and to the Head of Legal, Company Secretarial & Compliance on company secretarial and administrative matters shall be maintained for effective performance of the roles and responsibilities of the Company Secretary.

Review by Audit Committee

This interim report has been reviewed by the Audit Committee established in compliance with Rule 3.21 of the Listing Rules and the relevant provisions of the Corporate Governance Code. The Audit Committee comprises the five Non-executive Directors of the Company (including four Independent Non-executive Directors of the Company, namely Mr. Heah Sieu Lay, Mr. Alan Howard Smith, Mr. Tan Boon Seng and Mr. Lim Lay Leng, and one Non-executive Director, namely Mr. Au Fook Yew).

On behalf of the Board

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

Hong Kong, 24 August 2012

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