GENTING
HONG KONG

INTERIM REPORT 2020

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

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HONG KONG

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(Continued into Bermuda with limited liability)

Interim Report for the six months ended 30 June 2020

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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 Genting Hong Kong Limited (the "Company") about the industry and markets in which the Company and its subsidiaries (the "Group") are operating or will operate in the future. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Group, are difficult to predict and could cause actual results to differ materially from those expected or forecasted in the forward-looking statements. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include general economic, political and business conditions, changes in cruise industry competition, weather, force majeure events and/or other factors. Reliance should not be placed on these forward-looking statements, which merely reflect the view of the Company as of the date of this 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

Executive Directors

Tan Sri Lim Kok Thay
(Chairman and Chief Executive Officer)
Mr. Au Fook Yew *(alias Mr. Colin Au)*
(Deputy Chief Executive Officer and Group President)
Mr. Chan Kam Hing Chris
(Chief Financial Officer)

Independent Non-executive Directors

Mr. Alan Howard Smith
(Deputy Chairman)
Mr. Lam Wai Hon, Ambrose
Mr. Justin Tan Wah Joo

Secretary

Ms. Louisa Tam Suet Lin

Assistant Secretary

Ocorian Services (Bermuda) Limited

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Bermuda Principal Registrar

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House,
41 Cedar Avenue,
Hamilton HM 12, Bermuda
Tel: (441) 2951111
Fax: (441) 2956759

Hong Kong Branch Registrar

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Hong Kong SAR
Tel: (852) 28628555
Fax: (852) 28650990

Auditor

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditors
22nd Floor, Prince's Building,
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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 2020, as follows:

Condensed Consolidated Statement of Comprehensive Income

	Note	Six months ended 30 June 2020 US$'000 unaudited	Six months ended 30 June 2019 US$'000 unaudited
Revenue	4	226,226	729,163
Operating expenses			
Operating expenses excluding depreciation and amortisation		(371,238)	(527,245)
Depreciation and amortisation		(103,947)	(101,143)
		(475,185)	(628,388)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(59,120)	(125,059)
Depreciation and amortisation		(15,130)	(14,016)
		(74,250)	(139,075)
		(549,435)	(767,463)
Operating loss		(323,209)	(38,300)
Share of (loss)/profit of joint ventures		(80)	2,909
Share of (loss)/profit of associates		(37,357)	6,211
Other expenses, net	5	(10,844)	(4,398)
Other (losses)/gains, net	6	(349,174)	2,176
Finance income		2,011	2,331
Finance costs	7	(40,153)	(22,373)
		(435,597)	(13,144)
Loss before taxation	8	(758,806)	(51,444)
Taxation	9	16,208	(5,058)
Loss for the period		(742,598)	(56,502)

Condensed Consolidated Statement of Comprehensive Income *(Continued)*

	Note	Six months ended 30 June 2020 US$'000 unaudited	2019 US$'000 unaudited
Loss for the period		(742,598)	(56,502)
Other comprehensive (loss)/income:			
Items that have been or may be reclassified to condensed consolidated statement of comprehensive income:			
Foreign currency translation differences		(2,313)	15,509
Fair value loss on derivative financial instruments		(9,845)	(2,224)
Hedging gains reclassified to profit or loss		443	–
Share of other comprehensive income of an associate		53	172
		(11,662)	13,457
Item that will not be reclassified subsequently to condensed consolidated statement of comprehensive income:			
Fair value gain on financial assets at fair value through other comprehensive income		69	163
Other comprehensive (loss)/income for the period		(11,593)	13,620
Total comprehensive loss for the period		(754,191)	(42,882)
Loss attributable to:			
Equity owners of the Company		(687,056)	(55,162)
Non-controlling interests		(55,542)	(1,340)
		(742,598)	(56,502)
Total comprehensive loss attributable to:			
Equity owners of the Company		(698,703)	(41,542)
Non-controlling interests		(55,488)	(1,340)
		(754,191)	(42,882)
Loss per share attributable to equity owners of the Company	10		
– Basic (US cents)		(8.10)	(0.65)
– Diluted (US cents)		(8.10)	(0.65)

Condensed Consolidated Statement of Financial Position

		As at	
		30 June 2020	31 December 2019
	Note	*US$'000 unaudited*	*US$'000 audited*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,761,694	5,574,212
Right-of-use assets		207,360	211,806
Intangible assets		114,384	265,010
Interests in joint ventures	11	4,291	5,784
Interests in associates	12	494,318	524,950
Deferred tax assets		4,430	2,677
Financial assets at fair value through other comprehensive income ("FVOCI")	13	10,403	10,334
Other assets and receivables	15	114,850	110,245
		6,711,730	6,705,018
CURRENT ASSETS			
Completed properties for sale		38,085	38,681
Inventories		60,290	46,142
Trade receivables	14	46,240	57,765
Prepaid expenses and other receivables	15	120,839	139,272
Contract assets		1,695	647
Contract costs		5,437	14,128
Amounts due from related companies		6,640	6,616
Restricted cash		374,390	374,131
Cash and cash equivalents		397,523	595,124
		1,051,139	1,272,506
TOTAL ASSETS		7,762,869	7,977,524

Condensed Consolidated Statement of Financial Position *(Continued)*

	Note	As at 30 June 2020	As at 31 December 2019
		US$'000 *unaudited*	*US$'000* *audited*
EQUITY			
Capital and reserves attributable to the equity owners of the Company			
Share capital	16	848,249	848,249
Reserves:			
Share premium		41,634	41,634
Contributed surplus		936,823	936,823
Additional paid-in capital		107,051	107,147
Foreign currency translation adjustments		(157,415)	(155,048)
Financial assets at FVOCI reserve		808	739
Cash flow hedge reserve		(9,002)	(14,971)
Other reserve		437,074	432,457
Retained earnings		1,420,443	2,107,350
		3,625,665	4,304,380
Non-controlling interests		24,639	40,708
TOTAL EQUITY		3,650,304	4,345,088
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	17	3,060,789	2,523,074
Deferred tax liabilities		10,997	22,525
Provisions, accruals and other liabilities		892	1,822
Retirement benefit obligations		8,656	8,139
Contract liabilities		56,850	42,648
Lease liabilities		27,009	31,685
Derivative financial instruments	18	3,428	684
		3,168,621	2,630,577
CURRENT LIABILITIES			
Trade payables	19	246,858	156,670
Current income tax liabilities		9,588	10,328
Provisions, accruals and other liabilities		186,361	249,266
Contract liabilities		281,497	341,409
Lease liabilities		13,538	13,417
Current portion of loans and borrowings	17	200,426	216,341
Derivative financial instruments	18	5,574	14,287
Amounts due to related companies		102	141
		943,944	1,001,859
TOTAL LIABILITIES		4,112,565	3,632,436
TOTAL EQUITY AND LIABILITIES		7,762,869	7,977,524

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June 2020	2019
	US$'000 *unaudited*	*US$'000* *unaudited*
OPERATING ACTIVITIES		
Cash (used in)/generated from operations	(253,035)	106,960
Interest received	1,658	2,202
Income tax paid	(1,065)	(2,735)
Net cash (outflow)/inflow from operating activities	(252,442)	106,427
INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	–	(10,606)
Purchase of property, plant and equipment	(444,254)	(562,602)
Proceeds from sale of property, plant and equipment	1,560	232
Cash received from lease receivables (including interest)	1,242	1,359
Dividends received	1,387	1,290
Net cash outflow from investing activities	(440,065)	(570,327)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	1,042,005	400,000
Repayments of loans and borrowings	(559,147)	(109,862)
Payment of loan arrangement fees	(14,018)	(7,884)
Refund of loan arrangement fees	11,472	–
Interest paid	(55,271)	(42,388)
Payment for lease liabilities (including interest)	(7,057)	(6,879)
Proceeds from partial disposal of interests in subsidiaries, net of transaction costs	4,617	–
Capital contribution from non-controlling interest	39,419	–
Net cash inflow from financing activities	462,020	232,987
Effect of exchange rate changes on cash and cash equivalents	7,087	21,075
Net decrease in cash and cash equivalents	(223,400)	(209,838)
Cash and cash equivalents at 1 January	595,124	904,131
Cash and cash equivalents at 30 June	371,724	694,293
Analysis of cash and cash equivalents in the condensed consolidated statement of cash flows:		
Cash and cash equivalents in the condensed consolidated statement of financial position	397,523	694,293
Bank overdrafts included in current portion of loans and borrowings	(25,799)	–
	371,724	694,293

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2020	Attributable to equity owners of the Company											
	Share capital	Share premium	Contributed surplus	Additional paid-in capital	Foreign currency translation adjustments	Financial asset at FVOCI reserve	Cash flow hedge reserve	Other reserve	Retained earnings	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*
unaudited												
At 1 January 2020	848,249	41,634	936,823	107,147	(155,048)	739	(14,971)	432,457	2,107,350	4,304,380	40,708	4,345,088
Comprehensive income/(loss):												
Loss for the period	–	–	–	–	–	–	–	–	(687,056)	(687,056)	(55,542)	(742,598)
Other comprehensive income/(loss):												
Foreign currency translation differences	–	–	–	–	(2,367)	–	–	–	–	(2,367)	54	(2,313)
Fair value loss on derivative financial instruments	–	–	–	–	–	–	(9,845)	–	–	(9,845)	–	(9,845)
Hedging gains reclassified to profit or loss	–	–	–	–	–	–	443	–	–	443	–	443
Share of other comprehensive income of an associate	–	–	–	53	–	–	–	–	–	53	–	53
Fair value gain on financial assets at FVOCI	–	–	–	–	–	69	–	–	–	69	–	69
Total comprehensive income/(loss)	–	–	–	53	(2,367)	69	(9,402)	–	(687,056)	(698,703)	(55,488)	(754,191)
Cash flow hedges reclassified to property, plant and equipment	–	–	–	–	–	–	15,371	–	–	15,371	–	15,371
Transactions with equity owners:												
Lapse of share options	–	–	–	(149)	–	–	–	–	149	–	–	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	39,260	39,260
Transactions with non-controlling interests (note 22)	–	–	–	–	–	–	–	4,617	–	4,617	159	4,776
At 30 June 2020	848,249	41,634	936,823	107,051	(157,415)	808	(9,002)	437,074	1,420,443	3,625,665	24,639	3,650,304

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

Six months ended 30 June 2019	Attributable to equity owners of the Company									Non–controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Additional paid–in capital	Foreign currency translation adjustments	Financial asset at FVOCI reserve	Cash flow hedge reserve	Retained earnings	Total		
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
unaudited											
At 1 January 2019	848,249	41,634	936,823	109,353	(140,350)	(741)	(25,284)	2,258,032	4,027,716	33,541	4,061,257
Comprehensive income/(loss):											
Loss for the period	–	–	–	–	–	–	–	(55,162)	(55,162)	(1,340)	(56,502)
Other comprehensive income/(loss):											
Foreign currency translation differences	–	–	–	–	15,509	–	–	–	15,509	–	15,509
Fair value loss on derivative financial instruments	–	–	–	–	–	–	(2,224)	–	(2,224)	–	(2,224)
Share of other comprehensive income of an associate	–	–	–	172	–	–	–	–	172	–	172
Fair value gain on financial assets at FVOCI	–	–	–	–	–	163	–	–	163	–	163
Total comprehensive income/(loss)	–	–	–	172	15,509	163	(2,224)	(55,162)	(41,542)	(1,340)	(42,882)
Transactions with equity owners:											
Lapse of share options	–	–	–	(189)	–	–	–	189	–	–	–
At 30 June 2019	848,249	41,634	936,823	109,336	(124,841)	(578)	(27,508)	2,203,059	3,986,174	32,201	4,018,375

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"). The registered office of the Company is situated at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda, whereas the principal place of business of the Company is situated at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

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, shipyard operations and leisure, entertainment and hospitality activities.

This unaudited condensed consolidated interim financial information has been approved for issue by the Board of Directors on 28 August 2020.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively referred to as the "Group") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The preparation of the unaudited condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The unaudited condensed consolidated interim financial information is prepared under the historical cost convention, as modified by the financial assets at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and retirement benefit assets which are carried at fair value. In preparing this unaudited condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the financial year ended 31 December 2019.

The Group's operations are seasonal and results for interim periods are not necessarily indicative of the results for the entire financial year. This unaudited condensed consolidated interim financial information should be read where relevant, in conjunction with the annual financial statements of the Group for the financial year ended 31 December 2019 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

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

The accounting policies and methods of computation used in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the annual financial statements for the financial year ended 31 December 2019, except for the following amendments to HKFRSs the Group has adopted that are first effective for the current accounting period of the Group.

(i) Amendments to HKFRS 3 "Definition of a Business" (effective from 1 January 2020) revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. The amendments shall be applied prospectively. The amendments do not have a material impact on the Group's condensed consolidated interim financial information.

(ii) HKAS 1 and HKAS 8 (Amendments) "Definition of Material" (effective from 1 January 2020). The amendments clarify the definition of "material" and its application by aligning the wording of the definition of "material" across all HKFRS Standards and the Conceptual Framework and making minor improvements to that wording, incorporating supporting requirements in HKAS 1 into the definition to give them more prominence and clarify their applicability, and clarifying the explanation accompanying the definition of material. The amendments do not have a material impact on the Group's condensed consolidated interim financial information.

(iii) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 "Interest Rate Benchmark Reform" (effective from 1 January 2020). The amendments provide certain reliefs which relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the consolidated statement of comprehensive income. The amendments shall be applied retrospectively. The amendments do not have a material impact on the Group's condensed consolidated interim financial information.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective except for the following amendments to HKFRS, which are relevant to its operations.

(i) Amendments to HKFRS 16 "COVID-19 – Related Rent Concessions" (effective from 1 June 2020). The amendment provides lessees with exemption from assessing whether COVID-19 related rent concession is a lease modification and requires lessees that apply the exemption to account for COVID-19 related rent concession as if they were not lease modifications. In applying the amendments for the first time, the Group has applied the practical expedient and elected not to assess whether COVID-19 related rent concession is a lease modification. All of the COVID-19 related rent concessions amounted to US$0.6 million has been credited to the condensed consolidated statement of comprehensive income.

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

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

2.1 Going concern

During the six months ended 30 June 2020, the Group reported a net loss of US$742.6 million and had net operating cash outflows of US$252.4 million as the Group's operations were adversely affected by the effects of COVID-19 that caused the Group to cancel many sailings and temporarily suspended almost all of its cruise operations since February 2020 and shipyard operations since March 2020. As at 30 June 2020, the Group's cash and cash equivalents amounted to US$397.5 million and Group had total loans and borrowings of US$3,261.2 million, of which US$200.4 million are scheduled to be repayable within twelve months from 30 June 2020.

The Group has certain contractual and other arrangements to settle its financial obligations and various capital expenditures. As at 30 June 2020, the Group had capital commitments of approximately US$1.3 billion with majority is in relation to the construction of cruise ships. In view of the suspended construction activities, majority of the commitment will be delayed.

The directors of the Company (the "Directors") have reviewed the Group's cash flow forecast, which covers a period of twelve months from 30 June 2020. The Directors are of the opinion that, taking into account the following plans and measures in place, there is a reasonable prospect that the Group will have sufficient working capital and cash flows to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2020:

(i) The Group's ongoing focus on optimising its capital and debt structure and liquidity position by controlling its capital expenditure. The Directors intend to defer or cancel certain capital commitments of the Group, incur capital expenditures only when they are non-cancellable and enter into new capital commitments only when funding is available and secured.

(ii) The shipyard operations are currently suspended due to the COVID-19 outbreak. The Directors expected that the shipyard operations would resume in October 2020. The Group is in the process of applying for a long-term funding from the Economic Stabilisation Fund ("WSF") from the German Federal Government. The WSF was set up for the objective of reducing the damage caused to the German economy by COVID-19 and stabilising companies whose existence is of significant importance for the economy in Germany or for the labor market. The Directors are confident that the conditions for the WSF application can be met by September 2020 to support the approval of the fund application for draw down with effect from October 2020.

Funds from the WSF will be used to finance the working capital requirements of the shipyards and on-going construction of the Group's new cruise ships. Upon completion of the Group's new cruise ships, the Group will be able to draw down project financing from the lenders.

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

2.1 Going concern *(Continued)*

(iii) The Group has deferred the construction of the Global II cruise ship and has suspended the construction of the Endeavor II cruise ship as the outlook of the cruise industry has been affected by the COVID-19 outbreak. The Directors are in the process of deferring the materials supply contracts for Global II and cancelling the materials supply contracts for Endeavor II cruise ships which had been committed. The Directors are confident that capital commitment which would be due and payable within the next twelve months from 30 June 2020 can be reduced.

(iv) The cruise operations are currently suspended due to the COVID-19 outbreak. However, the Group has seen positive developments on its business operations as the Group's booking for future cruises starting from FY2021 are gradually improving, following the recent progressive uplifting of travel restrictions and the stabilisation of COVID-19 cases in many countries. The Group continues to evaluate alternative deployment plans for cruise ships to countries where restrictions have been lifted or relaxed. The Directors expected that the cruise operations will be resumed from January 2021. In managing the Group's cash flows, the Group has also significantly reduced the onboard crew, imposed a company-wide recruitment freeze and restricted all non-essential expenses, in particular, staff travel to avoid the risk of infection, apart from encouraging its employees to take voluntary unpaid leave. The Directors are confident that there will be improvement in the operating cash flows of the Group following the resumption of cruise operations.

(v) The Directors are also in the process of seeking additional equity or debt funding from private investors and have received indicative letters from the investors, expressing interest to invest in one of the Group's cruise brands. The Directors are in discussion with the investors on the terms and conditions of the funding and consider that there is a reasonable prospect will be able to obtain the funding within the next twelve months from 30 June 2020.

(vi) Prior to 30 June 2020, the Group successfully obtained loan deferment of US$85 million from certain lenders and is in the process of negotiating for further loan deferment of US$97 million with the remaining lenders.

(vii) The Group has engaged PJT Partners and Linklaters to work with financial partners to agree and implement a consensual solvent restructuring solution and an "Ad Hoc Group" of bankers had been formed to work with PJT Partners.

In the opinion of the Directors, in light of the above plans and measures, there is a reasonable prospect that the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2020 on the basis of their successful implementation of the plans and measures taken above. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated interim financial information on a going concern basis.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(a) Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the financial year ended 31 December 2019.

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

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(b) Fair value estimation

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

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

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

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

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

unaudited As at 30 June 2020	Level 1	Level 2	Level 3	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Financial assets				
Financial assets at FVOCI	–	–	10,403	10,403
Financial liabilities				
Derivative financial instruments	–	9,002	–	9,002

audited As at 31 December 2019	Level 1	Level 2	Level 3	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Financial assets				
Financial assets at FVOCI	–	–	10,334	10,334
Financial liabilities				
Derivative financial instruments	–	14,971	–	14,971

The financial assets at FVOCI measured at level 3 of the fair value hierarchy are pertaining to investments in unquoted equity securities. The investee is currently under development stage and has not commenced operations. The net assets of the investee comprised mainly land use rights, construction work in progress and other financial assets and liabilities. Accordingly, the adjusted net asset method was adopted in deriving the fair value of the investee's equity instruments by reference to the fair value of the investee's net assets.

The adjusted net asset method measures the fair value of the individual assets and liabilities recognised in the investee's statement of financial position as well as the fair value of any unrecognised assets and liabilities at the measurement date.

The land use rights was adjusted to fair value determined based on the income approach. The key assumptions used in the income approach include annual rental rate, growth rate, capitalisation rate, discount rate and the estimated annual administrative expenses associated with the land use rights. The fair values of other financial assets and liabilities approximate their carrying amounts due to short-term maturities of these instruments. There is no other unrecognised assets and liabilities at the measurement date that will cause significant adjustments to the net assets of the investee as of the measurement date.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(b) Fair value estimation *(Continued)*

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

	As at 30 June 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
Carrying amount	3,261,215	2,739,415
Fair value	3,375,574	2,892,830

The fair value of loans and borrowings is estimated based on rates currently available for the borrowings with the same or similar terms and remaining maturity period.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the operation of passenger cruise ships. Senior management reviews the performance and makes operating decisions and resources allocation based on the Group's internal reports. The Group's business is divided into cruise operation, shipyard operation and non-cruise operation. Accordingly, three reportable segments namely, cruise and cruise-related activities, shipyard and non-cruise activities are identified.

Revenue from our cruise and cruise-related activities are categorised as "passenger ticket revenue" and "onboard revenue". Passenger ticket revenue primarily consists of revenue from the sale of passenger tickets and the sale of transportation to and from our cruise ships to the extent guests purchase these items from the Group. Onboard revenue primarily consists of revenue from food and beverage sales, third party concessionaires, shore excursion, entertainment and other onboard services.

Revenue from our shipyard primarily consists of revenue from shipbuilding, repairs and conversion activities.

Revenue from our non-cruise activities primarily consists of revenue from our onshore hotels, travel agent, aviation (including AirCruises and air-related services), entertainment and sales of residential property units, none of which are of a significant size to be reported separately.

Earnings before interest, taxes, depreciation and amortisation ("EBITDA") exclude, if any, share of profit/loss of joint ventures and associates, other income/gains or expenses/losses.

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

The segment information of the Group is as follows:

unaudited Six months ended 30 June 2020	Cruise and cruise-related activities[(1)]	Shipyard	Non-cruise activities	Inter-segment elimination/ adjustments[(2)]	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Passenger ticket revenue	116,288	–	3,999		120,287
Onboard revenue	26,376	–	–		26,376
Revenue from shipyard	–	411,663	–		411,663
Other revenue	–	–	18,316		18,316
Reportable segment revenue	142,664	411,663	22,315		576,642
Less: Inter-segment revenue[(2)]	–	(347,588)	(2,828)		(350,416)
Total revenue from external customers[(3)]	142,664	64,075	19,487		226,226
Segment EBITDA	(155,042)	(152,347)	(12,845)	116,102	(204,132)
Less: Depreciation and amortisation	(90,388)	(27,808)	(19,142)	18,261	(119,077)
Segment results	(245,430)	(180,155)	(31,987)	134,363	(323,209)
Share of loss of joint ventures					(80)
Share of loss of associates					(37,357)
Other expenses, net					(10,844)
Other losses, net					(349,174)
Finance income					2,011
Finance costs					(40,153)
Loss before taxation					(758,806)
Taxation					16,208
Loss for the period					(742,598)
Other segment information:					
Impairment loss on:					
– Property, plant and equipment	122,757	15,267	47,319		185,343
– Intangible assets	–	134,428	2,603		137,031
– Other assets	12,927	–	–		12,927

(1) Consistent with the internal reporting to the chief operating decision maker, included in the passenger ticket revenue of US$116.3 million (six months ended 30 June 2019: US$487.1 million) were revenue contributed by onboard activities of US$18.9 million (six months ended 30 June 2019: US$88.8 million) mainly for cruise cabins provided to customers in support of the Group's entertainment onboard activities.

(2) These eliminations are mainly to eliminate revenue and expenses relating to shipbuilding for the Group.

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(3) During the six months ended 30 June 2020, revenue of the Group amounted to US$226.2 million, of which revenue from contracts with customers totalled US$207.3 million.

Revenue from contracts with customers is recognised as follows:

unaudited Six months ended 30 June 2020	Cruise and cruise-related activities	Shipyard	Non-cruise activities	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Timing of revenue recognition for revenue from contracts with customers:				
At a point in time	12,930	2,636	6,777	22,343
Over time	117,582	60,922	6,447	184,951
	130,512	63,558	13,224	207,294

unaudited As at 30 June 2020	Cruise and cruise-related activities	Shipyard	Non-cruise activities	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment assets	5,584,724	883,100	1,290,615	7,758,439
Deferred tax assets				4,430
Total assets				7,762,869
Segment liabilities	481,208	294,489	55,068	830,765
Loans and borrowings (including current portion)	3,221,728	39,487	–	3,261,215
	3,702,936	333,976	55,068	4,091,980
Current income tax liabilities				9,588
Deferred tax liabilities				10,997
Total liabilities				4,112,565
Capital expenditure:				
Property, plant and equipment	447,936	21,138	24,775	493,849

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

unaudited Six months ended 30 June 2019	Cruise and cruise-related activities[1]	Shipyard	Non-cruise activities	Inter-segment elimination/ adjustments[2]	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Passenger ticket revenue	487,104	–	5,093		492,197
Onboard revenue	165,260	–	–		165,260
Revenue from shipyard	–	465,960	–		465,960
Other revenue	–	–	23,441		23,441
Reportable segment revenue	652,364	465,960	28,534		1,146,858
Less: Inter-segment revenue[2]	–	(411,491)	(6,204)		(417,695)
Total revenue from external customers[3]	652,364	54,469	22,330		729,163
Segment EBITDA	82,296	27,934	(9,498)	(23,873)	76,859
Less: Depreciation and amortisation	(95,660)	(18,651)	(17,954)	17,106	(115,159)
Segment results	(13,364)	9,283	(27,452)	(6,767)	(38,300)
Share of profit of joint ventures					2,909
Share of profit of associates					6,211
Other expenses, net					(4,398)
Other gains, net					2,176
Finance income					2,331
Finance costs					(22,373)
Loss before taxation					(51,444)
Taxation					(5,058)
Loss for the period					(56,502)

(3) During the six months ended 30 June 2019, revenue of the Group amounted to US$729.2 million, of which revenue from contracts with customers totalled US$627.2 million.

Revenue from contracts with customers is recognised as follows:

unaudited Six months ended 30 June 2019	Cruise and cruise-related activities	Shipyard	Non-cruise activities	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Timing of revenue recognition for revenue from contracts with customers:				
At a point in time	46,438	4,463	12,080	62,981
Over time	504,760	49,493	9,943	564,196
	551,198	53,956	22,023	627,177

4. REVENUE AND SEGMENT INFORMATION (Continued)

audited As at 31 December 2019	Cruise and cruise-related activities	Shipyard	Non-cruise activities	Total
	US$'000	US$'000	US$'000	US$'000
Segment assets	5,568,414	1,045,629	1,360,804	7,974,847
Deferred tax assets				2,677
Total assets				7,977,524
Segment liabilities	578,145	225,880	56,143	860,168
Loans and borrowings (including current portion)	2,696,886	42,529	–	2,739,415
	3,275,031	268,409	56,143	3,599,583
Current income tax liabilities				10,328
Deferred tax liabilities				22,525
Total liabilities				3,632,436
Capital expenditure:				
Property, plant and equipment	1,164,794	100,343	73,290	1,338,427
Property, plant and equipment arising from acquisition of a subsidiary	–	488	–	488
Intangible assets	–	3,315	250	3,565
Intangible assets arising from acquisition of a subsidiary	–	3,688	–	3,688
	1,164,794	107,834	73,540	1,346,168

5. OTHER EXPENSES, NET

	Six months ended 30 June 2020	2019
	US$'000 unaudited	US$'000 unaudited
Loss on foreign exchange, net	(8,210)	(2,845)
Gain/(loss) on disposal of property, plant and equipment	35	(2,211)
Other (loss)/income, net	(2,669)	658
	(10,844)	(4,398)

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June 2020	2019
	US$'000 *unaudited*	*US$'000* *unaudited*
Impairment loss on:		
– Property, plant and equipment (note (a))	(185,343)	–
– Intangible assets (note (a))	(137,031)	–
– Other assets (note (a))	(12,927)	–
Loss on early repayment of bank borrowings	(13,865)	–
Loss on deemed disposal of equity interest in an associate (note 12)	(8)	–
Reversal of impairment loss on other receivables	–	2,176
	(349,174)	2,176

Note:

(a) The Group's operations were adversely affected by the effects of COVID-19 that caused the Group to cancel many sailings and temporarily suspended almost all of its cruise operations since February 2020 and shipyard operations since March 2020 as well as most of its other non-cruise operations. Considered the consequential impact on the expected future operating cash flows, the Group performed a review of the carrying value of its non-current assets. Accordingly, impairment losses on the following assets were recognised during the period:

(i) US$185.3 million on cruise ships, aircraft and other property, plant and equipment;

(ii) US$137.0 million development expenditures on ship designs, tradenames and goodwill; and

(iii) US$12.9 million on other non-current assets.

7. FINANCE COSTS

	Six months ended 30 June 2020	2019
	US$'000 *unaudited*	*US$'000* *unaudited*
Commitment fees and amortisation of bank loans arrangement fees	10,778	9,756
Interests on bank loans and others	61,200	46,881
Gain arising from loan modifications	(4,013)	–
Fair value losses on interest rate swaps designated as cash flow hedges – transfer from other comprehensive income (note 18)	443	–
Interest expense on lease liabilities	976	1,087
	69,384	57,724
Interest capitalised for qualifying assets	(29,231)	(35,351)
Finance costs expensed	40,153	22,373

8. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

	Six months ended 30 June 2020	2019
	US$'000 unaudited	*US$'000 unaudited*
Commission, incentives, transportation and other related costs (including amortisation of incremental costs for obtaining contracts of US$22,683,000 (six months ended 30 June 2019: US$47,187,000))	28,825	88,565
Onboard costs	11,095	51,306
Payroll and related costs included in operating expenses	120,340	156,219
Food and supplies	8,177	38,422
Fuel costs	39,004	58,374
Advertising expenses	20,473	43,682

9. TAXATION

	Six months ended 30 June 2020	2019
	US$'000 unaudited	*US$'000 unaudited*
Overseas taxation		
– Current taxation	1,207	1,314
– Deferred taxation	(13,262)	3,512
	(12,055)	4,826
(Over)/Under provision in respect of prior years		
– Current taxation	(4,153)	232
Tax (credit)/expense	(16,208)	5,058

The Group has incurred tax charges, as shown above, based on income derived from certain jurisdictions where it operates. The appropriate tax rates have been applied in order to determine the applicable tax charges in accordance with relevant tax regulations. Certain revenue of the Group derived from international waters or outside taxing jurisdictions is not subject to income tax and/or is eligible to tax exemption.

10. LOSS PER SHARE

Loss per share is computed as follows:

	Six months ended 30 June 2020	2019
	unaudited	*unaudited*
BASIC		
Loss attributable to equity owners of the Company for the period (US$'000)	(687,056)	(55,162)
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,482,490
Basic loss per share for the period in US cents	(8.10)	(0.65)
DILUTED		
Loss attributable to equity owners of the Company for the period (US$'000)	(687,056)	(55,162)
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,482,490
Effect of dilutive potential ordinary shares on exercise of share options, in thousands	–*	–*
Weighted average outstanding ordinary shares after assuming dilution, in thousands	8,482,490	8,482,490
Diluted loss per share for the period in US cents	(8.10)	(0.65)

* The calculation of diluted loss per share for the six months ended 30 June 2020 and 30 June 2019 did not take into account the share options of the Company as the assumed exercise had an anti-dilutive effect on the basic loss per share. Therefore, the diluted loss per share is the same as basic loss per share.

11. INTERESTS IN JOINT VENTURES

The Group's interests in joint ventures are as follows:

	As at 30 June 2020	31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
At 1 January	5,784	3,498
Share of (loss)/profit of joint ventures	(80)	3,018
Dividends	(1,387)	(725)
Currency translation differences	(26)	(7)
At 30 June 2020 / 31 December 2019	4,291	5,784

12. INTERESTS IN ASSOCIATES

The Group's interests in associates are as follows:

	As at 30 June 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
At 1 January	524,950	503,853
Acquisition of a subsidiary	–	88
Deemed disposal of interest in an associate	(8)	–
Share of (loss)/profit of associates	(37,357)	6,673
Share of other comprehensive income/(loss) of an associate	53	(1,937)
Dividends	–	(1,290)
Currency translation differences	6,680	17,563
At 30 June 2020 / 31 December 2019	494,318	524,950

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
Unlisted equity investments at fair value through other comprehensive income:		
At 1 January	10,334	8,854
Fair value gain recognised in other comprehensive income	69	1,480
At 30 June 2020 / 31 December 2019	10,403	10,334

14. TRADE RECEIVABLES

	As at 30 June 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
Trade receivables	60,551	73,010
Less: Loss allowance	(14,311)	(15,245)
	46,240	57,765

14. TRADE RECEIVABLES *(Continued)*

The ageing analysis of the trade receivables after loss allowance by invoice date is as follows:

	As at 30 June 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
Current to 30 days	19,288	43,366
31 days to 60 days	1,013	11,726
61 days to 120 days	1,471	1,114
121 days to 180 days	9,490	594
181 days to 360 days	12,658	29
Over 360 days	2,320	936
	46,240	57,765

Credit terms generally range from payment in advance to 45 days credit (31 December 2019: payment in advance to 45 days credit).

15. OTHER ASSETS, PREPAID EXPENSES AND OTHER RECEIVABLES

	As at 30 June 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
Other debtors	16,106	20,746
Lease receivables	4,750	9,810
Deposits	21,535	11,365
Indirect taxes recoverable	33,039	30,466
Prepayments	173,186	176,765
Amount due from an associate	–	365
	248,616	249,517
Less: Impairment loss (note 6)	(12,927)	–
	235,689	249,517
Less: Non-current portion	(114,850)	(110,245)
Current portion	120,839	139,272

16. 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 2020 and 30 June 2020	10,000	1	19,999,990,000	1,999,999
audited				
At 1 January 2019 and 31 December 2019	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 2020 and 30 June 2020	8,482,490,202	848,249
audited		
At 1 January 2019 and 31 December 2019	8,482,490,202	848,249

17. LOANS AND BORROWINGS

Loans and borrowings consist of the following:

	As at 30 June 2020	As at 31 December 2019
	US$'000 unaudited	*US$'000 audited*
US$500 million secured term loan and revolving credit facility	314,204	337,954
US$300 million unsecured term loan and revolving credit facility	286,698	295,965
US$300 million secured term loan	154,343	154,707
US$664 million secured term loan	–	472,262
US$689 million secured term loan	543,644	542,873
US$192 million secured term loan	136,320	148,617
US$200 million revolving credit facility	199,469	199,249
US$150 million revolving credit facility	149,626	149,476
EUR1,358 million secured term loan	538,420	395,783
US$900 million sale and leaseback transaction	873,205	–
EUR4 million secured term loan	2,067	2,281
EUR17 million secured term loan	14,249	15,309
EUR26 million secured term loan	23,171	24,939
Unsecured bank overdrafts	25,799	–
Total liabilities	3,261,215	2,739,415
Less: Current portion (note)	(200,426)	(216,341)
Non-current portion	3,060,789	2,523,074

Note: Subsequent to the end of the reporting period, the Group has received approval from certain lenders to defer the principal repayment of some of the Group's existing loans and borrowings. If taking this into account, US$18.2 million would have been reclassified from the current portion to the non-current portion of loans and borrowings, and as a result, the current portion of loans and borrowings would have been reduced to US$182.2 million from US$200.4 million as at 30 June 2020.

17. LOANS AND BORROWINGS *(Continued)*

Movements in loans and borrowings are analysed as follows:

	Six months ended 30 June 2020	2019
	US$'000 unaudited	*US$'000 unaudited*
Balance as at 1 January	2,739,415	1,988,059
Proceeds from loans and borrowings	1,067,804	400,000
Repayments of loans and borrowings	(559,147)	(109,862)
Loan arrangement fees incurred for the period	(18,241)	(5,145)
Refund of loan arrangement fees	11,472	–
Write-off of unamortised loan arrangement fees upon early repayment	13,865	–
Gain arising from loan modifications	(4,013)	–
Amortisation of loan arrangement fees	7,584	8,738
Currency translation differences	2,476	(297)
Balance as at 30 June	3,261,215	2,281,493

18. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2020	31 December 2019
	US$'000 unaudited	*US$'000 audited*
Liabilities		
Foreign exchange forward contracts – cash flow hedges	3,410	14,024
Interest rate swap contracts – cash flow hedges	5,592	947
	9,002	14,971
Analysed as:		
Current	5,574	14,287
Non-current	3,428	684
	9,002	14,971

The fair values of financial instruments including derivatives are determined based on a variety of factors and assumptions. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realised as at the date of consolidated statement of financial position or that will be realised in the future and do not include expenses that could be incurred in an actual sale or settlement. They are presented as current assets or liabilities if they are expected to be settled within twelve months after the end of the reporting period. The following are the estimated fair values of the Group's financial instruments and the methods used to estimate such fair value.

(a) Foreign exchange forward contracts

The Group entered into forward contracts to buy Euro dollar at a fixed exchange rate. As at 30 June 2020, the notional amount of these contracts was US$25.9 million (31 December 2019: US$273.0 million) and the estimated fair value loss of these forward contracts was approximately US$3.4 million (31 December 2019: US$14.0 million). These forward contracts have been designated and qualified as cash flow hedges. The changes in the fair value of these forward contracts were included as a separate component of reserves and upon maturity will be included in the initial measurement of the cost of the underlying hedged items which are non-financial assets.

18. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(b) Interest rate swap contracts

The Group entered into interest rate swap contracts to minimise its exposures to cash flow changes of its floating-rate bank borrowings by swapping certain USD floating-rate bank borrowings with aggregate principal of US$142.5 million from floating rates to fixed rates. The interest rate swap contracts with aggregate notional amount of US$142.5 million (31 December 2019: US$100.0 million) have fixed interest payments monthly at fixed interest rates ranging from 1.57% to 1.91% per annum (31 December 2019: 1.86% to 1.91% per annum) plus margin and floating interest receipts monthly at USD 1-month LIBOR plus margin for the periods up to April 2023.

The interest rate swap contracts and the corresponding bank borrowings have similar terms, such as principal amounts, interest rate spread, start dates, maturity dates and counterparties, and the Group considers that the interest rate swap contracts are highly effective hedging instruments. Interest rate swap contracts are designated and qualified as cash flow hedges from floating interest rates to fixed interest rates. The estimated fair value loss of these interest rate swap contracts was approximately US$5.6 million (31 December 2019: US$0.9 million).

The fair values of the above instruments have been estimated using quotes from reputable financial institutions. The Group has no significant concentrations of credit risk as at 30 June 2020.

19. TRADE PAYABLES

The ageing analysis of trade payables based on invoice date is as follows:

	As at 30 June 2020	As at 31 December 2019
	US$'000 unaudited	*US$'000 audited*
Current to 60 days	221,208	135,165
61 days to 120 days	5,636	8,540
121 days to 180 days	1,103	2,856
Over 180 days	18,911	10,109
	246,858	156,670

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2019: no credit to 45 days credit).

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties of the Group in respect of the significant related party transactions during the six months ended 30 June 2020 are set out below:

During the period under review, each of Tan Sri Lim Kok Thay ("Tan Sri Lim") and Mr. Lim Keong Hui ("Mr. Lim") was an Executive Director and a related party of the Company. Each of Tan Sri Lim and Mr. Lim was a beneficiary of a discretionary trust, whose trustee in its capacity as trustee of such discretionary trust indirectly held more than 30% of the equity interests in Genting Berhad ("GENT"). Genting Malaysia Berhad ("GENM") and Genting Singapore Limited ("GENS") are subsidiaries of GENT. Accordingly, each of GENT, GENM and GENS is a related party of the Company. Each of GENT and GENM is a company listed on the Main Market of Bursa Malaysia Securities Berhad while GENS is a company listed on the Main Board of the Singapore Exchange Securities Trading Limited. Subsequent to the period ended 30 June 2020, Mr. Lim resigned as an Executive Director of the Company.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

Rich Hope Limited ("Rich Hope") is a company in which each of Tan Sri Lim and his wife has an attributable interest as to 50%.

International Resort Management Services Pte. Ltd. ("IRMS") is a company incorporated in Singapore and owned as to 80% by Tan Sri Lim and 20% by his wife.

Travellers International Hotel Group, Inc. ("Travellers") is an associate of the Company.

Resorts World Inc Pte. Ltd. ("RWI") is a company incorporated in Singapore and currently is a 50:50 owned by Genting Intellectual Property Pte. Ltd. (a company incorporated in Singapore and a wholly-owned subsidiary of GENT) and KHRV Limited (a company incorporated in the Isle of Man and wholly owned by Tan Sri Lim). RWI is an indirect subsidiary of GENT.

FreeStyle Gaming Pte Ltd ("FSGPL") is a wholly-owned subsidiary of RWI.

Each of Worldwide Leisure Limited ("WLL") and Orient Peace Operations Limited ("OPOL") is a wholly-owned subsidiary of GENM.

Significant related party transactions entered into or subsisting between the Group and the above companies during the six months ended 30 June 2020 are set out below:

Item	Details of transactions	Six months ended 30 June 2020 *US$'000 unaudited*	Six months ended 30 June 2019 *US$'000 unaudited*
(a)	Service fee expenses in respect of air ticket purchasing, leasing of office space, travel related services and information technology and implementation, support and maintenance services and ancillary services charged by		
	• GENM and its subsidiaries	791	1,160
	Service fee expenses in respect of information technology and implementation, support and maintenance services, leasing and management, housekeeping and maintenance and marketing and promotion services charged by		
	• GENS and its subsidiaries	307	324
(b)	Lease payments for the lease of an apartment charged by		
	• Rich Hope	137	132
(c)	Receivables in respect of joint promotion and marketing programmes for promoting the business of GENM and its subsidiaries		
	• GENM and its subsidiaries	3	102
	Payables in respect of joint promotion and marketing programmes for promoting the business of the Group		
	• GENM and its subsidiaries	2	4
(d)	Lease payments for the lease of an office premises charged by		
	• Travellers	186	138

20. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

Significant related party transactions entered into or subsisting between the Group and the above companies during the six months ended 30 June 2020 are set out below: *(Continued)*

Item	Details of transactions	Six months ended 30 June 2020 *US$'000 unaudited*	2019 *US$'000 unaudited*
(e)	Consultancy services expenses charged by		
	• IRMS	56	119
(f)	Purchase of electronic equipment and devices for electronic games and related services from		
	• FSGPL	2	156
(g)	Management fee income earned from		
	• GENM	70	139
	License fee income earned from		
	• GENM	15	51
(h)	Service fee income earned from		
	• GENM and its subsidiaries	8	902
(i)	Amount receivable in respect of the provision of entertainment services onboard a vessel to		
	• WLL	430	–
(j)	Service fee income in respect of the provision of crewing, technical support and administrative support services for the operation of a vessel to		
	• OPOL	625	–
(k)	Service fee expenses in respect of information technology related services and products charged by		
	• RWI and its subsidiaries	128	124

The significant related party transactions described above were carried out in the normal course of business of the Group under terms and conditions negotiated amongst the related parties.

21. 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 2020	As at 31 December 2019
	US$'000 *unaudited*	*US$'000* *audited*
Contracted but not provided for		
– Cruise ships and related costs	1,213,853	1,220,906
– Property, plant and equipment	44,104	95,617
	1,257,957	1,316,523
Authorised but not contracted for	41,112	9,203

(ii) Material litigation

The Group is routinely involved in personal injury and personal property damage claims typical of the cruise ship business. After application of deductibles, these claims are covered by insurance and other indemnity arrangements. The Group is also involved in other contractual disputes. In the opinion of management, all the aforesaid claims, if decided adversely, individually or in the aggregate, would not have a material adverse effect on the results of operation, cash flows, and financial position of the Group.

(iii) Guarantees

The Group had provided guarantees to certain banks in respect of mortgage loan facilities granted by such banks to certain purchasers of residential property units developed by the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group will be responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the default purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The guarantees will be gradually discharged along with the settlement of the mortgage loans granted by the banks to the purchasers. Such guarantees will also be discharged upon the earlier of (i) the issuance of the real estate ownership certificates of the relevant residential property units to the purchasers; and (ii) the full repayment of the mortgage loans by the purchasers. As at 30 June 2020, these guarantees provided by the Group are approximately US$15.8 million (31 December 2019: US$17.0 million).

The management considers that in case of default in payments, the net realisable value of the related residential property units can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties. Therefore, no provision has been made in the condensed consolidated interim financial information for the guarantees.

22. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 6 August 2019, the Group entered into a share purchase agreement to dispose up to 35% of its interests in Dream Cruises Holding Limited ("Dream Cruises"). The initial closing of the disposal of 32.22% of the Group's interests in Dream Cruises was completed on 31 October 2019. The second closing of the disposal was completed on 31 January 2020, in which the Group disposed approximately 0.36% of its interests in Dream Cruises at a cash consideration of approximately US$5,036,000. Immediately prior to the second closing disposal, the carrying amount of the 0.36% interests in Dream Cruises was approximately US$159,000. The expenses incurred for this transaction with non-controlling interests were approximately US$260,000. The effect attributable to the Group during the period is summarised as follows:

	Six months ended 30 June 2020
	US$'000
Consideration received, net of transaction expenses	4,776
Carrying amount of 0.36% interests in Dream Cruises disposed of	(159)
Excess recognised in other reserve within equity	4,617

There were no transactions with non-controlling interests during the period ended 30 June 2019.

23. SIGNIFICANT SUBSEQUENT EVENTS

The Company has mandated certain financial institutions ("Funding Advisors") to arrange a fund raising exercise for the Group (the "Fund Raising Exercise"). The Funding Advisors delivered a report on parties interested in the Fund Raising Exercise to the Board of Directors of the Company (the "Board") on 19 August 2020. The Board has been informed that the Group and potential interested parties will require more time to assess the provision of additional funding to the Group.

As there is currently a lack of certainty as to the outcome of the Fund Raising Exercise, the Board announced that, it has, after consultation with its legal and financial advisers, concluded that it is important to preserve as much liquidity of the Group as possible and to fulfil the Board's fiduciary duties and to treat all its financial creditors fairly and equitably.

The Company has engaged PJT Partners and Linklaters to work with its financial creditors to agree and implement a consensual solvent restructuring solution, which preserves as much value as possible for lenders while restoring the Group's viability once COVID-19 has been brought under control. The Company has invited all of the Group's financial creditors to a virtual meeting held on 24 August 2020 (the "First Creditors' Meeting"). The financial creditors have been supportive and a number of the Group's long term financial creditors have agreed to join an ad hoc group to extend their support to the Group.

Interim Dividend

The Board of Directors of the Company do not recommend the declaration of interim dividend in respect of the six months ended 30 June 2020 (30 June 2019: Nil).

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 2019.

Terminology

Unless otherwise indicated in this report, the following terms have the meanings set forth below:

Capacity Days: double occupancy per available cabin multiplied by the number of cruise days for the period

EBITDA: earnings before interest, taxes, depreciation and amortisation. EBITDA excludes, if any, share of profit/loss of joint ventures and associates, other income/gains or expenses/losses

Gross Cruise Cost: the sum of total operating expenses and selling, general and administrative expenses less expenses relating to shipyard and non-cruise activities

Gross Yield: total revenue from cruise and cruise-related activities per Capacity Day

Net Cruise Cost: Gross Cruise Cost less commission, incentives, transportation and other related costs and onboard costs

Net Cruise Cost Excluding Fuel: Net Cruise Cost less fuel costs

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

Net Yield: Net Revenue per Capacity Day

Occupancy Percentage: the ratio of Passenger Cruise Days to Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins

Operating Profit/Loss: EBITDA less depreciation and amortization

Passenger Cruise Days: the number of passengers carried for the period, multiplied by the number of days in their respective cruises

Six months ended 30 June 2020 ("1H2020") compared with six months ended 30 June 2019 ("1H2019")

The Group

The commentary below is prepared based on a comparison of the results of the Group for 1H2020 and 1H2019.

The Group recorded EBITDA loss of US$204.1 million in 1H2020, compared to EBITDA of US$76.9 million in 1H2019. After depreciation and amortisation, Operating Loss was at US$323.2 million in 1H2020 compared to US$38.3 million in 1H2019.

Net loss of US$742.6 million in 1H2020, also included adjustments of US$386.6 million which primarily consisting of expenses related to non-cash impairment losses on certain intangible assets, property, plant and equipment and other assets, share of associates results and losses on refinancing of debt for Genting Dream. For the corresponding period in 2019, the net loss was US$56.5 million.

Total revenue decreased to US$226.2 million compared to US$729.2 million in 1H2019 due to the fleet-wide suspension of voyages since March this year as a result of port closure by various countries and no sail orders issued by the United States in response to pandemic-control measures.

Shipyard recorded EBITDA loss of US$36.2 million in 1H2020 as compared to EBITDA of US$4.3 million in 1H2019 was primarily due to suspension of three shipyards' operation since March 2020 after considering the restrictions in business operations and the health of our employees.

Share of (Loss)/Profit of Joint Ventures and Associates

Share of loss of joint ventures and associates totalled US$37.4 million in 1H2020 compared with profit of US$9.1 million in 1H2019, which was mainly attributable by the losses of Travellers International Hotel Group, Inc. due to the restriction of its operations as a result of COVID-19 pandemic in the Philippines in 1H2020.

Other Expenses, net

Net other expenses in 1H2020 amounted to US$10.8 million compared with US$4.4 million in 1H2019. In 1H2020, net other expenses mainly included with foreign exchange loss amounted to US$8.2 million (1H2019: US$2.8 million) resulting primarily from the appreciation of loans and borrowings denominated in foreign currencies against US dollar.

Other (Losses)/Gains, net

Net other losses in 1H2020 amounted to US$349.2 million mainly represented impairment loss on property, plant and equipment, intangible assets and other assets by US$185.3 million, US$137.0 million and US$12.9 million respectively. Net other gains in 1H2019 amounted to US$2.2 million represented reversal of impairment loss on other receivables.

Net Finance Costs

Net finance costs (i.e. finance costs, net of finance income) in 1H2020 was US$38.1 million compared with US$20.0 million in 1H2019 due to higher interest expenses arising from higher outstanding loan balances.

Loss for the period

The Group recorded consolidated net loss of US$742.6 million in 1H2020, as compared with a consolidated net loss of US$56.5 million in 1H2019.

Six months ended 30 June 2020 ("1H2020") compared with six months ended 30 June 2019 ("1H2019") *(Continued)*

Liquidity and Financial Resources

As at 30 June 2020, cash and cash equivalents amounted to US$397.5 million, a decrease of US$197.6 million compared with US$595.1 million as at 31 December 2019.

The decrease in cash and cash equivalents was primarily due to cash outflows of (i) US$252.4 million from operating activities; (ii) US$444.3 million for capital expenditure of property, plant and equipment; and (iii) US$617.0 million for repayments of existing loans and borrowings and payments of interest and financing costs, net of refund. Cash outflows were partially offset by cash inflows of (i) US$1,042.0 million from the drawdown of loans and borrowings; and (ii) US$39.4 million capital contribution from non-controlling interest.

The majority of the Group's cash and cash equivalents are held in Euro, US dollar, Hong Kong dollar, Chinese Renminbi and Singapore dollar. The Group's liquidity as at 30 June 2020 was US$408.5 million (31 December 2019: US$631.8 million), comprising cash and cash equivalents and undrawn credit facilities.

As at 30 June 2020, total loans and borrowings amounted to US$3,261.2 million (31 December 2019: US$2,739.4 million) and were mainly denominated in US dollar. Taking into account the effect of hedging from the interest rate swap contracts, approximately 25% (31 December 2019: 29%) of the Group's loans and borrowings was under fixed rate and 75% (31 December 2019: 71%) was under floating rate. Loans and borrowings of US$200.4 million (31 December 2019: US$216.3 million) are repayable within a year. The outstanding borrowings and unused credit facilities of the Group are secured by legal charges over assets including fixed and floating charges of US$4.5 billion (31 December 2019: US$4.0 billion).

The Group's net debt position was US$2,863.7 million as at 30 June 2020, as compared with US$2,144.3 million as at 31 December 2019. The total equity of the Group was approximately US$3,650.3 million (31 December 2019: US$4,345.1 million). The gearing ratio as at 30 June 2020 was 78.5% (31 December 2019: 49.3%). The ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including "current and non-current loans and borrowings" as shown in the condensed consolidated statement of financial position) less cash and cash equivalents.

The Group adopts a prudent treasury policy with all financing and treasury activities being managed and controlled at its corporate head office. The Group manages its foreign exchange exposure primarily through foreign currency forward contracts. It is also the Group's policy that hedging will not be performed in excess of actual requirement. For operating activities, the Group, to the extent possible, takes advantage of natural offsets of its foreign currency revenues and expenses to reduce its exposure by way of natural hedge as the expenses incurred from the local offices are offset with the income derived locally.

Six months ended 30 June 2020 ("1H2020") compared with six months ended 30 June 2019 ("1H2019") *(Continued)*

Other Business Highlights and 2020 Outlook

The Company has implemented various cost rationalization initiatives to aggressively reduce non-essential operational expenses, including minimizing all non-essential ship/shore costs, enacting pay freezes/reductions and reducing headcount to conserve cash and to minimize the monthly cash burn rate. All ships other than Explorer Dream, SuperStar Aquarius and SuperStar Gemini are being laid-up. All non-essential capital expenditures except for maintenance to safeguard the safety and security of the ships and the health and safety of the guests and employees have been suspended. The delivery of Crystal Endeavor and Global Dream, currently under construction at MV Werften shipyards has been rescheduled. The Group's debt maturity profile improved after securing a deferral of up to 12-month for some principal repayments.

Safety has always been a priority of Genting Cruise Lines. The Group has introduced various preventive measures to address the concerns of cruising arising from the risk and rapid spread of the infectious disease onboard. In April 2020, after completing stringent assessment checks covering various aspects including safe distancing practices, the ships' ventilation systems and preventive and infection control measures, the Singapore authorities approved two of Genting Cruise Lines' ships, SuperStar Aquarius and SuperStar Gemini, as temporary accommodations for foreign workers who have recovered from COVID-19. This endorsement is a further testament to the efficacy of the Group's enhanced preventive measures.

Genting Cruise Lines has also been working with DNV GL, the largest classification society in the world, to adopt their hospital "Certification in Infection Prevention (CIP) for the Marine industry (CIP-M) - which is unique in that it builds on proven hospital standards tailored to passenger cruise ships, while incorporating national requirements to enable a robust immediate and long-term response. On 7 July 2020, Dream Cruises' Explorer Dream became the first cruise ship in the world to receive the CIP-M certification. These standards include stringent health screening processes and protocols prior to embarkation and disembarkation, as well as thorough sanitization and disinfection and enhanced hygiene practices for guest cabins, various on board public areas and recreational activities, food and beverage safety and also the health of its crew members.

With the support from the relevant authorities in Taiwan, Dream Cruises' Explorer Dream was given the approval to operate two, three and four night "Taiwan Island-Hopping" cruises departing from Keelung to Kinmen, Penghu and Matsu islands – making Taiwan one of the earlier markets to reopen cruise travel. The market response to the Explorer Dream deployment in Taiwan is very encouraging with regulated first sailing at occupancy rate of 50% on 26 July 2020 rising progressively to 96% on the 23 to 26 August 2020 cruises. The Group was informed by the Hainan Commercial Bureau today that Dream Cruises is welcomed to commence domestic cruise operation from Sanya. The Group is also in the process of negotiation with other regional governments to start domestic cruises. These initiatives provide more visibility in the future of the Group and the leadership role of the Group to re-start cruising after COVID-19.

It is expected that the COVID-19 pandemic will continue to impact the Group's businesses, as the spread and development of the virus has created significant uncertainty over when the authorities in the relevant cruising markets will allow resumption of the cruise travel. As COVID-19 crisis continues to unravel, the Group is unable to predict with certainty the ultimate impact it would have on the Group's business, its financial condition and its short or long-term financial performance. As a result, the Group expects to report a net loss for the year ending 31 December 2020.

The COVID-19 pandemic has severely impacted the Company's financial position and results of operation. If the temporary suspension of sailings protracts, the impact on the Company's liquidity and financial position is likely to continue.

In anticipation of an eventual cruise industry recovery with more countries progressively lifting entry bans, the Company and the Group will continue to monitor the evolution of the pandemic and adapt our business strategies cautiously. While the impact of COVID-19 has been profound and protracted, the Company engaged PJT Partners and Linklaters to work with our financial partners to agree and implement a consensual solvent restructuring solution and an "Ad Hoc Group" of bankers had been formed to work with PJT Partners.

Six months ended 30 June 2020 ("1H2020") compared with six months ended 30 June 2019 ("1H2019") *(Continued)*

Operating Statistics

The following table sets forth selected statistical information:

	Six months ended 30 June 2020	2019
Passenger Cruise Days	603,562	2,346,366
Capacity Days	848,708	2,589,109
Occupancy Percentage	71.1%	90.6%

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

	Six months ended 30 June 2020	2019
	US$'000	*US$'000*
Passenger ticket revenue	116,288	487,104
Onboard revenue	26,376	165,260
Total cruise and cruise-related revenue	142,664	652,364
Less:		
Commission, incentives, transportation and other related costs	(28,704)	(88,392)
Onboard costs	(11,099)	(51,306)
Net Revenue	102,861	512,666
Gross Yield (US$)	168.1	252.0
Net Yield (US$)	121.2	198.0

Six months ended 30 June 2020 ("1H2020") compared with six months ended 30 June 2019 ("1H2019") *(Continued)*

Operating Statistics *(Continued)*

In relation to the Group's cruise and cruise-related activities, Gross Cruise Cost, Net Cruise Cost and Net Cruise Cost Excluding Fuel were calculated as follows:

	Six months ended 30 June 2020	2019
	US$'000	*US$'000*
Total operating expenses	475,185	628,388
Total selling, general and administrative expenses	74,250	139,075
	549,435	767,463
Less: Depreciation and amortisation	(119,077)	(115,159)
	430,358	652,304
Less: Expenses relating to shipyard and non-cruise activities	(132,654)	(82,236)
Gross Cruise Cost	297,704	570,068
Less:		
Commission, incentives, transportation and other related costs	(28,704)	(88,392)
Onboard costs	(11,099)	(51,306)
Net Cruise Cost	257,901	430,370
Less: Fuel costs	(38,208)	(57,580)
Net Cruise Cost Excluding Fuel	219,693	372,790
Gross Cruise Cost per Capacity Day (US$)	350.8	220.2
Net Cruise Cost per Capacity Day (US$)	303.9	166.2
Net Cruise Cost Excluding Fuel per Capacity Day (US$)	258.9	144.0
EBITDA for the period as reported	(204,132)	76,859

Human Resources

As at 30 June 2020, the Group had approximately 7,600 employees, consisting of approximately 2,200 (or 29%) shipbased officers and crew as well as approximately 5,400 (or 71%) staff employed in the various world-wide offices and shipyards of the Group. The Group provides competitive salaries, benefits and incentives including provident fund schemes and medical insurance schemes for its staff.

For the six months ended 30 June 2020, there is no significant change in the remuneration policies, bonus, share option scheme and training schemes for the Group.

Interests of Directors

As at 30 June 2020, 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 *(Notes)*	**Beneficial owner**	**Interests of spouse**	**Interests of controlled corporation**	**Founder/ Beneficiary of discretionary trusts**	**Total**	**Percentage of issued voting shares**
	Number of ordinary shares *(Notes)*					
Tan Sri Lim Kok Thay	368,643,353	36,298,108 *(1)*	36,298,108 *(2)*	6,003,571,032 *(3) and (4)*	6,408,512,493 *(5)*	75.55
Mr. Lim Keong Hui# *(6)*	–	–	–	6,003,571,032 *(3) and (4)*	6,003,571,032	70.78
Mr. Alan Howard Smith	–	–	–	8,000,000 *(7)*	8,000,000	0.09
Mr. Justin Tan Wah Joo	968,697 *(8)*	968,697 *(8)*	–	–	968,697 *(5)*	0.01

\# Resigned as an Executive Director and Deputy Chief Executive Officer on 28 August 2020.

Notes:

As at 30 June 2020:

(1) Tan Sri Lim Kok Thay ("Tan Sri Lim") 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 ("Puan Sri Wong") had a corporate interest.

(2) Tan Sri Lim was also deemed to have a corporate interest in the same block of 36,298,108 ordinary shares directly held by Goldsfine in which each of Tan Sri Lim and Puan Sri Wong held 50% equity interests.

(3) Tan Sri Lim as founder and a beneficiary of a discretionary trust (trustee of which is Summerhill Trust Company (Isle of Man) Limited) and Mr. Lim Keong Hui ("Mr. Lim") also as a beneficiary of the discretionary trust, had a deemed interest in the same block of 6,003,571,032 ordinary shares.

(4) These shares were held directly and indirectly by Golden Hope Limited as trustee of the Golden Hope Unit Trust and were pledged shares.

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

(6) Mr. Lim is a son of Tan Sri Lim.

(7) Mr. Alan Howard Smith as a beneficiary of a discretionary trust had a deemed interest in 8,000,000 ordinary shares.

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

(9) The Company had one class of issued shares, namely the ordinary shares, each of which carried equal voting right.

(10) All the above interests represented long positions in the shares.

Interests of Directors *(Continued)*

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

Name of associated corporation *(Notes)*	Name of Director	Nature of interests/capacity in which such interests were held: Beneficial owner	Interests of spouse	Interests of controlled corporation	Founder/ Beneficiary of discretionary trusts	Total	Percentage of issued voting shares
		Number of ordinary/common shares *(Notes)*					
Grand Banks Yachts Limited ("Grand Banks") *(1)*	Tan Sri Lim Kok Thay	3,056,497	–	–	49,553,497 *(2)*	52,609,994 *(15) and (16)*	28.49
Starlet Investments Pte. Ltd. ("Starlet") *(3)*	Tan Sri Lim Kok Thay	–	250,000 *(4)*	250,000 *(5)*	250,000 *(6)*	500,000 *(15) and (16)*	100
SC Alliance VIP World Philippines, Inc. ("SC Alliance") *(7)*	Tan Sri Lim Kok Thay	–	2,000 *(8)*	2,000 *(9)*	2,000 *(10)*	2,000 *(15) and (16)*	40
Star Cruises Hong Kong Management Services Philippines, Inc. ("SCHKMS") *(11)*	Tan Sri Lim Kok Thay	–	5,000 *(12)*	5,000 *(13)*	5,000 *(14)*	5,000 *(15) and (16)*	100

Notes:

As at 30 June 2020:

(1) Grand Banks had one class of issued shares, namely 184,634,649 ordinary shares, each of which carried equal voting right. A subsidiary of the Company had a 26.84% interest in Grand Banks.

(2) As founder and a beneficiary of a discretionary trust, Tan Sri Lim had a deemed interest in 49,553,497 ordinary shares of Grand Banks.

(3) Starlet had one class of issued shares, namely 500,000 ordinary shares, each of which carried equal voting right. Each of a subsidiary of the Company and International Resort Management Services Pte. Ltd. ("IRMS") had a 50% interest in Starlet. IRMS was owned as to 80% by Tan Sri Lim and 20% by his spouse, Puan Sri Wong.

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

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

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

(7) SC Alliance had two classes of issued shares, namely 2,000 common shares and 3,000 series A preferred shares, each of which carried equal voting right. All the issued common shares in SC Alliance were held by Starlet.

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

Interests of Directors *(Continued)*

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

Notes: (Continued)

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

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

(11) SCHKMS had one class of issued shares, namely 5,000 common shares, each of which carried equal voting right. SCHKMS was owned as to (i) 60% by SC Alliance; and (ii) 40% by Starlet.

(12) As the spouse of Puan Sri Wong, Tan Sri Lim had a family interest in 5,000 common 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.

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

(14) As founder and a beneficiary of a discretionary trust, Tan Sri Lim had a deemed interest in 5,000 common shares of SCHKMS.

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

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

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

Save as disclosed above and in the section headed “Interests of Substantial Shareholders” below:

(a) as at 30 June 2020, 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 in, or debentures of, the Company or any other body corporate.

Share Options

Details of 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") are set out in the published annual report of the Company for the year ended 31 December 2019. 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 employees of the Group under the Post-listing Employee Share Option Scheme during the period and outstanding as at 30 June 2020 were as follows:

Post-listing Employee Share Option Scheme

	Number of options outstanding at 01/01/2020	Number of ordinary 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 30/06/2020	Date granted	Exercise price per ordinary share	Exercisable period
The employees	5,288,000	–	(398,000)	–	4,890,000	16/11/2010	HK$3.7800	16/11/2011 – 15/11/2020

The share options under the Post-listing Employee Share Option Scheme 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 five years from 2011 to 2015. All the share options under the Post-listing Employee Share Option Scheme are subject to further terms and conditions set out in the relevant offer letters and provisions of the Post-listing Employee Share Option Scheme.

Interests of Substantial Shareholders

As at 30 June 2020, 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 shares, as recorded in the register required to be kept under section 336 of the SFO and in accordance with information received by the Company:

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 voting shares
			Number of ordinary shares *(Notes)*				
Summerhill Trust Company (Isle of Man) Limited (as trustee of a discretionary trust) *(1)*	–	–	6,003,571,032 *(5)*	6,003,571,032 *(7)*	6,003,571,032 *(9)*	6,003,571,032 *(13)*	70.78
Cove Investments Limited *(2)*	–	–	–	–	6,003,571,032 *(10)*	6,003,571,032	70.78
Golden Hope Limited (as trustee of the Golden Hope Unit Trust) *(3)*	–	–	546,628,908 *(6)*	6,003,571,032 *(8) and (12)*	–	6,003,571,032 *(13)*	70.78
Joondalup Limited *(4)*	546,628,908	–	–	–	–	546,628,908	6.44
Puan Sri Wong Hon Yee	–	6,408,512,493 *(11(a))*	36,298,108 *(11(b))*	–	–	6,408,512,493 *(13)*	75.55

Interests of Substantial Shareholders *(Continued)*

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

Notes:

As at 30 June 2020:

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

(2) Cove Investments Limited ("Cove") was wholly owned by Summerhill as trustee of the Discretionary Trust.

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

(4) Joondalup Limited ("Joondalup") was wholly owned by Golden Hope as trustee of the GHUT.

(5) Summerhill as trustee of the Discretionary Trust had a corporate interest in the same block of 6,003,571,032 ordinary shares held directly and indirectly by Golden Hope as trustee of the GHUT (comprising 5,456,942,124 ordinary shares held directly by Golden Hope as trustee of the GHUT and 546,628,908 ordinary shares held indirectly through Joondalup).

(6) Golden Hope as trustee of the GHUT had a corporate interest in the same block of 546,628,908 ordinary shares held directly by Joondalup.

(7) Summerhill in its capacity as trustee of the Discretionary Trust had a deemed interest in the same block of 6,003,571,032 ordinary shares held directly and indirectly by Golden Hope as trustee of the GHUT (comprising 5,456,942,124 ordinary shares held directly by Golden Hope as trustee of the GHUT and 546,628,908 ordinary shares held indirectly through Joondalup).

(8) The interest in 6,003,571,032 ordinary shares was held directly and indirectly by Golden Hope in its capacity as trustee of the GHUT (comprising 5,456,942,124 ordinary shares held directly by Golden Hope as trustee of the GHUT and 546,628,908 ordinary shares held indirectly through Joondalup).

(9) Summerhill as trustee of the Discretionary Trust was deemed to have interest in the same block of 6,003,571,032 ordinary shares held directly and indirectly by Golden Hope as trustee of the GHUT in its capacity as beneficiary of the GHUT.

(10) Cove which held 0.01% of the units in the GHUT was deemed to have interest in the same block of 6,003,571,032 ordinary shares held directly and indirectly by Golden Hope as trustee of the GHUT in its capacity as beneficiary of the GHUT.

(11) (a) Puan Sri Wong Hon Yee ("Puan Sri Wong") as the spouse of Tan Sri Lim, had a family interest in the same block of 6,408,512,493 ordinary shares in which Tan Sri Lim had a deemed interest.

(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.

(12) These shares were held directly and indirectly by Golden Hope as trustee of the GHUT and were pledged shares.

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

(14) The Company had one class of issued shares, namely the ordinary shares, each of which carried equal voting right.

(15) All the above interests represented long positions in the shares of the Company.

Save as disclosed above and in the section headed "Interests of Directors" above, as at 30 June 2020, 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.

General Disclosure pursuant to the Listing Rules

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

Facility Agreements of the Group

In April 2014, the Group obtained a secured term loan facility in an aggregate amount of USD equivalent of up to EUR593,760,000 with a term of 144 months after the first utilisation of the facility by the Group under the facility agreement (the "First Vessel Loan Facility Agreement") for financing the construction and purchase of the vessel to be constructed pursuant to the shipbuilding contract dated 7 October 2013. In January 2020, the outstanding loan under the First Vessel Loan Facility Agreement has been settled in full.

In May 2014, the Group obtained a secured term loan facility in an aggregate amount of USD equivalent of up to EUR606,842,214 with a term of 144 months after the first utilisation of the facility by the Group under the facility agreement (the "Second Vessel Loan Facility Agreement") for financing the construction and purchase of the vessel to be constructed pursuant to the shipbuilding contract dated 10 February 2014 and the Hermes Fee (as defined in the Second Vessel Loan Facility Agreement).

In April 2015, the Group obtained a secured term loan facility in an aggregate amount of up to the lower of US$300 million and 60% of the aggregate market value of two vessels, namely, Crystal Serenity and Crystal Symphony (the "Vessels"), with a term of 84 months after the utilisation of the facility by the Group under the facility agreement (the "Crystal Vessel Loan Facility Agreement") for part financing the acquisition of the entire equity interest in Crystal Cruises, LLC (the indirect owner of the Vessels) by the Borrower (as defined in the Crystal Vessel Loan Facility Agreement which is an indirect wholly-owned subsidiary of the Company) as purchaser pursuant to the purchase agreement dated 3 March 2015 and for general corporate purpose of the Borrower.

In July 2016, the Group obtained a secured term loan and revolving credit facility in an aggregate amount of up to US$500 million with a term of 72 months after the first utilisation of the facilities by the Company under the facility agreement, as amended by the consent and amendment agreement dated 24 April 2019 (collectively the "US$500 million Facility Agreement") for, amongst others, general corporate purposes of the Group.

In January 2017, the Group obtained a secured term loan facility in an aggregate amount of USD equivalent of up to (i) EUR160 million for financing part of the cost of construction and purchase of four river cruise ships to be constructed pursuant to the relevant shipbuilding contracts all dated 7 September 2016 (as amended from time to time); and (ii) 100% of each Hermes Fee (as defined therein) with a term of 102 months after the first utilisation of the facility by the Group under the facility agreement (the "River Cruise Ship Facility Agreement").

Pursuant to (i) the First Vessel Loan Facility Agreement; (ii) the Second Vessel Loan Facility Agreement; (iii) the Crystal Vessel Loan Facility Agreement; (iv) the US$500 million Facility Agreement and (v) the River Cruise Ship Facility Agreement, the Lim Family (as defined therein, including Tan Sri Lim Kok Thay (the Chairman and Chief Executive Officer of the Company), his spouse, his direct lineal descendants, the personal estate of any of the above persons; and any trust created for the benefit of one or more of the aforesaid persons and their respective estates) is required, together or individually, directly or indirectly, to hold the largest percentage of the issued share capital of, and equity interest in, the Company. The Lim Family's holding shall include any interest which the Lim Family, together or individually, is deemed to hold in accordance with Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (Disclosure of Interests) and in addition, where applicable, any interest in the Company held by GENT, GENM and their respective Affiliates (as defined in each of the respective facility agreements).

As at 30 June 2020, the aggregate principal amount under the above facility agreements was US$1,675 million and the aggregate outstanding loan balance thereunder was approximately US$1,186 million. The Group has reached debt holiday agreements with certain lenders deferring principal repayments. Principal payments under the Second Vessel Loan Facility Agreement otherwise due by 31 March 2021 have been deferred and deferred payments are repayable in instalments within the following 4 years. Principal payments under the River Cruise Ship Facility Agreement otherwise due by 30 April 2021 have been deferred and deferred payments are repayable in instalments within the following 4 years. The Group is currently negotiating with the lenders for debt holiday arrangement for principal repayment due by 30 April 2021 under the Crystal Vessel Loan Facility Agreement and US$500 million Facility Agreement.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2020.

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 2020 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 2020 to 30 June 2020 (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 2020, the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules (the "Code Provisions") in force during the period under review, save for certain deviations from the relevant Code Provisions A.2.1 and F.1.3 as listed below:

(a) Code Provision A.2.1 states that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual.

(b) Code Provision F.1.3 states that the Company Secretary should report to the Board Chairman and/or the Chief Executive.

Considered reasons for the aforesaid deviations as well as further information of the Company's corporate governance practices were set out in the Corporate Governance Report of the Company's annual report for the year ended 31 December 2019 issued in April 2020.

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 Directors of the Company:

(a) Mr. Lam Wai Hon, Ambrose, an Independent Non-executive Director of the Company: With effect from 2 June 2020, Mr. Lam has resigned as an Independent Non-executive Director of China Agri-Industries Holdings Limited, a company listed on the Stock Exchange until the listing of its shares thereon was withdrawn voluntarily in March 2020.

(b) Mr. Alan Howard Smith, the Deputy Chairman and an Independent Non-executive Director of the Company: With effect from 27 July 2020, Mr. Smith has resigned as a Director of Wheelock and Company Limited, a company listed on the Stock Exchange until its voluntary delisting on the same day.

(c) Tan Sri Lim Kok Thay, the Chairman, Executive Director and Chief Executive Officer of the Company: With effect from 27 August 2020, Tan Sri Lim has been re-designated from Chairman and Chief Executive to Deputy Chairman and Chief Executive of Genting Malaysia Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

(d) Mr. Lim Keong Hui: With effect from 28 August 2020, Mr. Lim has resigned as an Executive Director and the Deputy Chief Executive Officer of the Company.

(e) Mr. Au Fook Yew *(alias Mr. Colin Au)*: With effect from 28 August 2020, Mr. Au has been appointed as an Executive Director and the Deputy Chief Executive Officer of the Company.

(f) Mr. Chan Kam Hing Chris: With effect from 28 August 2020, Mr. Chan has been appointed as an Executive Director of the Company.

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 three Independent Non-executive Directors of the Company, namely Mr. Justin Tan Wah Joo, Mr. Alan Howard Smith and Mr. Lam Wai Hon, Ambrose.

On behalf of the Board

Tan Sri Lim Kok Thay
Chairman and Chief Executive Officer

Hong Kong, 28 August 2020

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