Genting Hong Kong Limited

(Continued into Bermuda with limited liability)

(Stock Code: 678)

ANNOUNCEMENT
RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Directors of Genting Hong Kong Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2021, together with the comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2021 US$'000 unaudited	Six months ended 30 June 2020 US$'000 unaudited
Revenue	3	182,260	226,226
Operating expenses			
Operating expenses excluding depreciation and amortisation		(281,066)	(371,238)
Depreciation and amortisation		(75,894)	(103,947)
		(356,960)	(475,185)
Selling, general and administrative expenses			
Selling, general and administrative expenses excluding depreciation and amortisation		(72,423)	(59,120)
Depreciation and amortisation		(11,504)	(15,130)
		(83,927)	(74,250)
		(440,887)	(549,435)
Operating Loss*		(258,627)	(323,209)
Share of profit/(loss) of joint ventures		1,041	(80)
Share of profit/(loss) profit of associates		27,989	(37,357)
Other income/(expenses), net	4	28,248	(10,844)
Other losses, net	5	(15,173)	(349,174)
Finance income		570	2,011
Finance costs	6	(17,982)	(40,153)
		24,693	(435,597)
Loss before taxation	7	(233,934)	(758,806)
Taxation	8	(4,403)	16,208
Loss for the period		(238,337)	(742,598)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Six months ended 30 June 2021 US$'000 unaudited	2020 US$'000 unaudited
Loss for the period		(238,337)	(742,598)
Other comprehensive(loss)/income:			
Items that have been or may be reclassified to condensed consolidated statement of comprehensive income:			
Foreign currency translation differences		(51,737)	(2,313)
Fair value loss on derivative financial instruments		-	(9,845)
Hedging gains reclassified to profit or loss		-	443
Share of other comprehensive (loss)/income of an associate		(35)	53
Release of reserves upon disposal of an associate		1,097	-
		(50,675)	(11,662)
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		2,473	69
Other comprehensive loss for the period		(48,202)	(11,593)
Total comprehensive loss for the period		(286,539)	(754,191)
Loss attributable to:			
Equity owners of the Company		(231,225)	(687,056)
Non-controlling interests		(7,112)	(55,542)
		(238,337)	(742,598)
Total comprehensive loss attributable to:			
Equity owners of the Company		(279,259)	(698,703)
Non-controlling interests		(7,280)	(55,488)
		(286,539)	(754,191)
Loss per share attributable to equity owners of the Company	9		
- Basic (US cents)		(2.73)	(8.10)
- Diluted (US cents)		(2.73)	(8.10)

*Before impairment losses

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June 2021	31 December 2020
	Note	US$'000 unaudited	US$'000 audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,504,169	5,390,553
Right-of-use assets		28,302	31,457
Intangible assets		60,375	71,354
Interests in joint ventures		4,286	4,215
Interests in associates		503,380	492,674
Deferred tax assets		552	585
Financial assets at fair value through other comprehensive income ("FVOCI")		13,044	10,571
Other assets and receivables		88,905	74,955
		6,203,013	6,076,364
CURRENT ASSETS			
Completed properties for sale		38,942	40,517
Inventories		49,246	51,313
Trade receivables	10	28,521	24,064
Prepaid expenses and other receivables		166,367	136,151
Contract assets		1,026	1,202
Contract costs		4,131	2,823
Amounts due from related companies		7,502	8,553
Restricted cash		94,803	136,894
Cash and cash equivalents		453,373	242,752
		843,911	644,269
TOTAL ASSETS		7,046,924	6,720,633

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30 June 2021 US$'000 unaudited	As at 31 December 2020 US$'000 audited
EQUITY			
Capital and reserves attributable to the equity owners of the Company			
Share capital		848,249	848,249
Reserves:			
Share premium		41,634	41,634
Contribution surplus		936,823	936,823
Additional paid-in capital		103,674	103,709
Foreign currency translation adjustments		(122,099)	(71,627)
Financial assets at FVOCI reserve		3,449	976
Other reserve		397,349	437,095
Retained earnings		312,131	543,356
		2,521,210	2,840,215
Non-controlling interests		(6,342)	(97,808)
TOTAL EQUITY		2,514,868	2,742,407
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings		2,948,868	1,543
Deferred tax liabilities		11,660	9,200
Provisions, accruals and other liabilities		-	1,301
Retirement benefit obligations		9,200	9,094
Contract liabilities		40,269	28,889
Lease liabilities		18,250	16,423
Derivative financial instruments		1,230	2,258
		3,029,477	68,708
CURRENT LIABILITIES			
Trade payables	11	152,575	175,551
Current income tax liabilities		4,612	4,488
Provisions, accruals and other liabilities		277,878	202,966
Contract liabilities		137,171	126,894
Lease liabilities		10,241	14,584
Current portion of loans and borrowings		913,693	3,382,581
Derivative financial instruments		1,920	2,132
Amounts due to related companies		4,489	322
		1,502,579	3,909,518
TOTAL LIABILITIES		4,532,056	3,978,226
TOTAL EQUITY AND LIABILITIES		7,046,924	6,720,633

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2021 US$'000 unaudited	Six months ended 30 June 2020 US$'000 unaudited
OPERATING ACTIVITIES		
Cash used in from operations	(159,547)	(253,035)
Interest received	309	1,658
Income tax paid	(915)	(1,065)
Net cash outflow from operating activities	(160,153)	(252,442)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(160,480)	(444,254)
Proceeds from sale of property, plant and equipment	10,501	1,560
Proceeds from disposal of equity interest in an associate	8,074	-
Cash received from lease receivables (including interest)	1,224	1,242
Decrease in restricted cash	16,187	-
Dividends received	-	1,387
Net cash outflow from investing activities	(124,494)	(440,065)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	794,459	1,042,005
Repayments of loans and borrowings	(187,278)	(559,147)
Payment of loan arrangement fees	(130,857)	(14,018)
Refund of loan arrangement fees	23,042	11,472
Conversion of bank overdraft to term loan	25,741	-
Interest paid	(43,060)	(55,271)
Payment for lease liabilities (including interest)	(6,339)	(7,057)
Proceeds from partial disposal of interests in subsidiaries, net of transaction costs	-	4,617
Capital contribution from non-controlling interests	59,000	39,419
Increase in restricted cash	(11,234)	-
Net cash inflow from financing activities	523,474	462,020
Effect of exchange rate changes on cash and cash equivalents	(2,465)	7,087
Net increase/(decrease) in cash and cash equivalents	236,362	(223,400)
Cash and cash equivalents at 1 January	217,011	595,124
Cash and cash equivalents at 30 June	453,373	371,724
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	453,373	397,523
Bank overdrafts included in current portion of loans and borrowings	-	(25,799)
	453,373	371,724

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 31 August 2021.

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 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, 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 2020.

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 2020 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 2020, except for the following amendment to HKFRSs the Group has adopted that are first effective for the current accounting period of the Group.

(i) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform — Phase 2” (effective from 1 January 2021). The amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The amendments require disclosure of: (i) how the entity is managing the transition to alternative benchmark rates, its progress and the risks arising from the transition; (ii) quantitative information about derivatives and non-derivatives that have yet to transition, disaggregated by significant interest rate benchmark; and (iii) a description of any changes to the risk management strategy as a result of IBOR reform. 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. The adoption of these amendments to 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.

2.1 Going concern

The Group reported a net loss of US$238.3 million and had a net operating cash outflow of US$160.2 million during the six months period ended 30 June 2021. As at 30 June 2021, the Group’s current liabilities exceeded its current assets by US$658.7 million. As at the same date, the Group’s total borrowings amounted to US$3,862.6 million (net of loan origination costs), capital commitments amounted to US$1,050.6 million and deposits, cash and bank balances amounted to US$453.4 million.

The Group was in default in respect of borrowings with principal amount totaling US$3,394.7 million as at 31 December 2020 due to, inter alia, the following events of default (“Events of Default”): (a) obtaining debt holidays from certain financial creditors and ongoing discussions with the financial creditors with a view to rescheduling the upcoming payments; (b) a technical default triggered by the Group’s announcement that it defaulted on the payment of certain bank fees amounted to EUR3.7 million in August 2020; (c) breach of certain financial covenants and other obligations in the loan documentation and (d) the cross default resulted from the aforementioned events of default. These Events of Default and cross default gave rise to the right for the financial creditors of the Group to declare that all financial indebtedness owed to them due and repayable immediately and accordingly, the above mentioned US$3,394.7 million, which included borrowings with original contractual repayment dates beyond 31 December 2021 had been reclassified as current liabilities as at 31 December 2020.

Certain measures have been taken to mitigate the liquidity pressure and to improve the Group’s financial position since April 2020. The Group completed the following measures on 28 June 2021 (the “Restructuring Effective Date”).

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

2.1 Going concern (Continued)

a) New Money Facilities

i. The Group obtained a new EUR240.0 million subordinated secured loan facility and a EUR60.0 million silent participation (being a form of lending which takes effect via provision of a limited-recourse equity stake to the lender in exchange for contribution of funding) (together the "New EUR300 million WSF Funding") which was provided by the Wirtschaftsstabilisierungsfonds (the "WSF") to MV Werften Holdings Limited ("MVWH") (an indirect wholly-owned subsidiary of the Company) and/or certain of its subsidiaries in order to fund the completion of the partially-completed Crystal Endeavor and Global Dream vessels and certain overhead costs. The New EUR300 million WSF Funding is guaranteed by the Company and certain wholly-owned subsidiaries of MVWH and secured by way of a composite security and guarantee package of the Group; and

ii. The Group obtained a newly committed EUR313.6 million post-delivery financing facility on substantially standard market terms for the Crystal Endeavor vessel as provided by certain existing lenders to the Group. This facility is guaranteed by the Company and an indirect wholly-owned subsidiary of the Company. The Crystal Endeavor vessel was completed and delivered in June 2021 and the post-delivery financing facility was fully drawn down in June 2021.

b) Amendment and Extension of Existing Financial Indebtedness

i. Amendments to US$981.1 million of existing financial indebtedness of the Company to reflect the following:

   a. a material extension of maturity of the facilities until no earlier than 31 July 2026; and
   b. a reduction in, and the harmonisation of, interest margins for up to 24 months;

ii. Retention of all guarantees and security under the Group's existing financing arrangements, along with the implementation of appropriate limited credit enhancement arrangements including granting of new security and assignment of rights;

iii. Continued provision for drawdowns under existing pre-delivery financing arrangements available to the Group in order to fund completion of construction of the partially-completed Global Dream vessel;

iv. Suspension of amortisation payment requirements under separate secured financing arrangements entered into by Dream Cruises, Crystal Cruises and Star Cruises entities of US$1.5 billion until the earlier of (a) 29 June 2023 and (b) the date falling 24 months after the Restructuring Effective Date (the "Deferral Longstop Date") along with consequential adjustments to each affected amortisation schedule;

v. Suspension of financial covenant testing under all of the Group's existing financing arrangements which contain financial covenants until the Deferral Longstop Date, other than a minimum liquidity covenant (the "Minimum Liquidity Covenant") which require the Group to maintain a minimum liquidity of aggregate amount of cash and cash equivalents and eligible collateral of US$40.0 million;

vi. A full reset of all existing financial covenants with effect from the Deferral Longstop Date to reflect appropriate ratios for the purposes of facilitating a fully funded business plan aligned with anticipated market recovery;

vii. Approvals by the existing lenders of the existing financial indebtedness mentioned in (i) and (iv) above on the waiver of any outstanding Events of Default and cross defaults that existed as at the Restructuring Effective Date; and

viii. Conversion of the Group's existing letter of credit facility to a term loan of approximately US$102.0 million to finance the Group's working capital requirements.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

2.1 Going concern (Continued)

c) Provision of Backstop Funding Arrangements to Address Future Liquidity Needs

In addition, pursuant to the terms of the overall restructuring, the following backstop funding arrangements will be provided to address potential liquidity needs of the Group in the future (together, the "Backstop Instruments"):

i. An equity financing of the Company for a value of not less than US$30.0 million; and

ii. Entry by the Company and certain wholly-owned subsidiaries of MVWH into conditional, committed standby loan facilities provided by the State of Mecklenburg Vorpommern and the WSF in an aggregate amount of US$118.0 million, which shall be secured by, inter alia, second and third ranking mortgages over the World Dream vessel.

The Backstop Instruments may be drawn down in order to meet the debt servicing obligations of the Group in the event that the Minimum Liquidity Covenant is breached or forecasted to be breached. However, the aforementioned Backstop Instruments shall terminate on, inter alia, the date the Company and/or its subsidiaries obtain appropriate alternative sources of financing and deposit cash or cash equivalents in an amount of no less than US$148.0 million into a restricted account or the Group maintains compliance with certain financial covenants.

Up to the date of approval of the condensed consolidated interim financial information, the Group was still in the process to further strengthen the Group's financial position through various other measures which include, amongst others, the following:

d) Application of further debt holiday, waiver from compliances with debt covenants and waivers for past defaults for the Genting Dream sale and leaseback arrangement

The Group has obtained debt holiday and waiver from compliances with debt covenants from the financial creditors of the Genting Dream sale and leaseback arrangement ("Lessors") up to 15 October 2021 and 31 December 2021 respectively. On 20 July 2021, the Group submitted an application for further debt holiday, further waiver from compliances with debt covenants and waivers for past defaults from the Lessors for its borrowings with a principal amount of US$873.4 million as at 30 June 2021. Based on the communications with the Lessors, the Directors are of the opinion that there are reasonable prospects that the Group can obtain further debt holiday and further waiver from compliances with debt covenants up to 16 October 2022 and 30 June 2023 respectively and waivers for all past defaults from the Lessors. Should the waivers on the compliance with debt covenants beyond 31 December 2021 and the past defaults not obtained, the Lessors may demand for immediate repayment of the borrowings in respect of the Genting Dream sale and leaseback arrangement which will also trigger the cross default clauses in all other borrowings of the Group.

e) Resumption of the cruise operations in 2021 and the recovery of cruise operations back to pre-pandemic level in 2022

The Group's Dream Cruises has resumed cruise operation in Taiwan with Explorer Dream since July 2020, in Singapore with World Dream since November 2020 and in Hong Kong with Genting Dream since July 2021. The Group's Crystal Cruises has also resumed Crystal Serenity with "Luxury Bahamas Escapes" since July 2021 and Crystal Symphony with "Luxury Bermuda Escapes" since August 2021. There has been significant reduction in operation costs and breakeven occupancy as a result of the reduced manpower structure and simplified operation. Contributions from operating vessels have reduced the burn rate. However, outbreaks of COVID Delta variant had resulted in capacity being lowered for Singapore, one month delay before the Hong Kong government allowed cruising operations and approval of resumption of cruising in Taiwan in September 2021, which has been suspended since May 2021. Management expects that the Group's remaining cruise ships will be allowed to operate depending on the control of COVID-19 and Delta variant in other countries. Should the capacity restrictions imposed on the cruise ships under operations not be lifted in 2022 or the COVID-19 pandemic has worsened to a level which will affect the operations of the cruise industry, there will be significant negative impact to the Group's cash flows from operations.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

2.1 Going concern (Continued)

f) Deferment or cancellation of the Group's capital commitments

The Group also has certain contractual financial obligations and various capital expenditures to be settled, out of which the majority are in relation to the construction of cruise ships. The Group will continue with the construction of Global Dream and the related capital commitments of approximately US$291.2 million will be funded by the existing pre-delivery financing arrangements available to the Group.

The Group has deferred the construction of the Global II cruise ship and has suspended the construction of the Endeavor II and the Universal Class cruise ships. Management is currently finalising the timing of the shipbuilding plans and is in the midst of discussions with the German Government, the potential lenders and business partners for the financing of the construction of Global II and the revival of the construction of Endeavor II and Universal Class cruise ships. Further discussions with suppliers and contractors will be carried out when the revised shipbuilding plans are finalised. At this juncture, based on discussions with the suppliers and contractors, management is of the view that the Group will be able to defer the capital commitments of Global II amounting to US$458.9 million beyond 2021. The Group also has an option to cancel the capital commitments related to the construction of Universal Class cruise ships of approximately US$260.6 million for a compensation of approximately US$13.4 million.

g) Application of further debt holiday, waiver from compliances with debt covenants and waivers for past defaults for borrowings from other financial creditors, amounting to US$41.6 million

The Group is obtaining debt holidays, waiver from compliances with debt covenants and waivers for past defaults from other financial creditors for its borrowings of US$41.6 million as at 30 June 2021. Based on their communication with the other creditors, the Directors are of the opinion that there are reasonable prospects that the Group can obtain debt holiday, waiver from compliances with debt covenants beyond 30 June 2022 and waivers for past defaults from the other financial creditors.

h) Monetising some of the Group's non-core assets

If the outcome of the above mentioned measures is not favourable, the Group will monetise some of the Group's non-core assets which will provide the Group with additional liquidity to finance the Group's operations and scheduled loan repayments.

i) Raising new funds from investors in the Group's cruise brands and shipyards

The Group continues its efforts to raise new funds from investors in the Group's cruise brands and the shipyards, with a number of initiatives undertaken for completion by the end of 2021.

The Directors have reviewed the Group's cash flow projections, covering a period of not less than twelve months from 30 June 2021, prepared by management. They are of the opinion that, after taking into consideration the restructuring measures completed on 28 June 2021 and the anticipated outcome of the remaining on-going plans and measures above, the financial resources available to the Group, including cash and cash equivalents on hand and expected cash flows from operating activities, the Group will have sufficient cash flows to meet its operating requirements, investing activities and financial obligations for at least twelve months from 30 June 2021, and therefore, it is appropriate for the condensed consolidated interim financial information to be prepared on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group can achieve the remaining plans and measures as stated in d) to i) above, and if any of the above measures does not materialise, it will have a significant adverse impact on the cash flows of the Group for the next twelve months from 30 June 2021.

2. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

2.1 Going concern (Continued)

Whether the Group will be able to continue as a going concern would depend on the following:

1. Whether the Group can timely obtain further debt holiday, further waiver from compliances with debt covenants beyond twelve months from 30 June 2021 and waivers for past defaults from the Lessors and the other financial creditors.

2. Whether the Group can take proactive measures to ensure the conditions of the vessels fulfil the relevant international regulators' requirements and cruise operations will normalise and achieve pre-pandemic level in 2022.

3. Whether the Group can timely agree with its suppliers and contractors to substantially defer or cancel its capital commitment for the ships where their construction was suspended and deferred beyond twelve months from 30 June 2021.

4. Whether, if the outcome of the above mentioned measures is not favourable, the Group will be able to monetise some of the Group's non-core assets to provide the Group with additional liquidity to finance the Group's operations and scheduled loan repayments, as and when needed.

5. Whether the Group can raise new funds from investors for the cruise brands and the shipyards by the end of 2021.

Should the Group fail to achieve the above-mentioned plans and measures, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated interim financial information.

3. 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, 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.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information of the Group is as follows:

unaudited Six months ended 30 June 2021	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	53,538	-	3,761		57,299
Onboard revenue	24,123	-	-		24,123
Revenue from shipyard	-	220,977	-		220,977
Other revenue	-	-	16,114		16,114
Reportable segment revenue	77,661	220,977	19,875		318,513
Less: Inter-segment revenue[2]	-	(128,332)	(7,921)		(136,253)
Total revenue from external customers[3]	77,661	92,645	11,954	-	182,260
Segment EBITDA	(117,972)	(120,182)	(9,606)	76,531	(171,229)
Less: Depreciation and amortisation	(69,958)	(22,709)	(8,586)	13,855	(87,398)
Segment results	(187,930)	(142,891)	(18,192)	90,386	(258,627)
Share of profit of joint ventures					1,041
Share of profit of associates					27,989
Other income, net					28,248
Other losses , net					(15,173)
Finance income					570
Finance costs					(17,982)
Loss before taxation					(233,934)
Taxation					(4,403)
Loss for the period					(238,337)
Other segment information:					
Impairment loss on:					
- Property, plant and equipment	2,200	-	8,162		10,362

[1] Consistent with the internal reporting to the chief operating decision maker, included in the passenger ticket revenue of US$53.5 million (six months ended 30 June 2020: US$116.3 million) were revenue contributed by onboard activities of US$26.9 million (six months ended 30 June 2020: US$18.9 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.

[3] During the six months ended 30 June 2021, revenue of the Group amounted to US$182.3 million, of which revenue from contracts with customers totalled US$166.2 million.

Revenue from contracts with customers is recognised as follows:

unaudited Six months ended 30 June 2021	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	11,539	9,518	4,107	25,164
Over time	50,869	82,631	7,490	140,990
	62,408	92,149	11,597	166,154

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The segment information of the Group is as follows: (Continued)

unaudited As at 30 June 2021	Cruise and cruise-related activities	Shipyard	Non-cruise activities	Total
	US$'000	US$'000	US$'000	US$'000
Segment assets	5,562,108	758,827	725,437	7,046,372
Deferred tax assets				552
Total assets				7,046,924
Segment liabilities	445,856	165,017	42,350	653,223
Loans and borrowings (including current portion)	3,793,050	43,092	26,419	3,862,561
	4,238,906	208,109	68,769	4,515,784
Current income tax liabilities				4,612
Deferred tax liabilities				11,660
Total liabilities				4,532,056
Capital expenditure:				
Property, plant and equipment	244,625	9,328	9	253,962
Right-of-use assets	-	4,935	321	5,256
	244,625	14,263	330	259,218

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

[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

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

audited As at 31 December 2020	Cruise and cruise-related activities	Shipyard	Non-cruise activities	Total
	US$'000	US$'000	US$'000	US$'000
Segment assets	5,253,045	606,405	860,598	6,720,048
Deferred tax assets				585
Total assets				6,720,633
Segment liabilities	372,678	170,542	37,194	580,414
Loans and borrowings (including current portion)	3,267,262	116,862	-	3,384,124
	3,639,940	287,404	37,194	3,964,538
Current income tax liabilities				4,488
Deferred tax liabilities				9,200
Total liabilities				3,978,226
Capital expenditure:				
Property, plant and equipment	593,679	29,648	51,155	674,482
Right-of-use assets	2,740	1,887	1,254	5,881
	596,419	31,535	52,409	680,363

4. OTHER INCOME/(EXPENSES), NET

	Six months ended 30 June 2021	2020
	US$'000 unaudited	US$'000 unaudited
Gain/(loss) on foreign exchange, net	26,605	(8,210)
Write off and gain on disposal of property, plant and equipment	927	35
Other income/(loss), net	716	(2,669)
	28,248	(10,844)

5. OTHER LOSSES, NET

	Six months ended 30 June 2021 US$'000 unaudited	2020 US$'000 unaudited
Impairment loss on:		
- Property, plant and equipment (note (a))	(10,362)	(185,343)
- Intangible assets	-	(137,031)
- Other assets	-	(12,927)
Loss on early repayment of bank borrowings	-	(13,865)
Loss on deemed disposal of equity interest in an associate	-	(8)
Loss on disposal of interest in an associate	(4,811)	-
	(15,173)	(349,174)

Note:

(a) The Group's operations continued to be affected by the effects of COVID-19 in the six months ended 30 June 2021. Having considered the consequential impact on the expected future operating cash flows, the Group consistently performed a review of the carrying value of its non-current assets. Accordingly, impairment losses of two cruise ships and an aircraft amounted to US$10.4 million were recognised.

6. FINANCE COSTS

	Six months ended 30 June 2021 US$'000 unaudited	2020 US$'000 unaudited
Commitment fees and amortisation of bank loans arrangement fees	12,331	10,778
Interests on bank loans and others	54,324	61,200
Gain arising from loan modifications	(18,532)	(4,013)
Write-off of bank loans arrangement fees	2,326	-
Realised loss on interest rate swap contracts	1,117	-
Fair value gain on interest rate swap contracts	(1,241)	-
Fair value losses on interest rate swap contracts designated as cash flow hedges – transfer from other comprehensive income	-	443
Interest expense on lease liabilities	455	976
	50,780	69,384
Interest capitalised for qualifying assets	(32,798)	(29,231)
Finance costs expensed	17,982	40,153

7. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

	Six months ended 30 June 2021	2020
	US$'000 unaudited	US$'000 unaudited
Commission, incentives, transportation and other related costs (including amortisation of incremental costs for obtaining contracts of US$3,017,000 (six months ended 30 June 2020: US$22,683,000))	10,452	28,825
Onboard costs	6,284	11,095
Payroll and related costs included in operating expenses	99,255	120,340
Food and supplies	4,366	8,177
Fuel costs	25,211	39,004
Advertising expenses	2,479	20,473

8. TAXATION

	Six months ended 30 June 2021	2020
	US$'000 unaudited	US$'000 unaudited
Overseas taxation		
- Current taxation	692	1,207
- Deferred taxation	3,430	(13,262)
	4,122	(12,055)
Under/(over) provision in respect of prior years		
- Current taxation	281	(4,153)
Tax expense/(credit)	4,403	(16,208)

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.

9. LOSS PER SHARE

Loss per share is computed as follows:

	Six months ended 30 June	
	2021	2020
	unaudited	unaudited
<u>BASIC</u>		
Loss attributable to equity owners of the Company for the period (US$'000)	(231,225)	(687,056)
Weighted average outstanding ordinary shares, in thousands	8,482,490	8,482,490
Basic loss per share for the period in US cents	(2.73)	(8.10)
<u>DILUTED</u>		
Loss attributable to equity owners of the Company for the period (US$'000)	(231,225)	(687,056)
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	N/A*	-*
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	(2.73)	(8.10)

* No diluted loss per share has been calculated as there were no dilutive potential ordinary shares for the six months ended 30 June 2021. The calculation of diluted loss per share for the six months ended 30 June 2020 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.

10. TRADE RECEIVABLES

	As at 30 June 2021 US$'000 unaudited	As at 31 December 2020 US$'000 audited
Trade receivables	36,405	31,752
Less: Loss allowance	(7,884)	(7,688)
	28,521	24,064

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

	As at 30 June 2021 US$'000 unaudited	As at 31 December 2020 US$'000 audited
Current to 30 days	7,369	7,505
31 days to 60 days	361	215
61 days to 120 days	1,161	790
121 days to 180 days	393	133
181 days to 360 days	7,321	10,034
Over 360 days	11,916	5,387
	28,521	24,064

Credit terms generally range from payment in advance to 45 days credit (31 December 2020: payment in advance to 45 days credit).

11. TRADE PAYABLES

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

	As at 30 June 2021 US$'000 unaudited	As at 31 December 2020 US$'000 audited
Current to 60 days	84,977	105,874
61 days to 120 days	22,514	14,821
121 days to 180 days	2,744	16,269
Over 180 days	42,340	38,587
	152,575	175,551

Credit terms granted to the Group generally vary from no credit to 45 days credit (31 December 2020: no credit to 45 days credit).

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 2021 (30 June 2020: Nil).

BUSINESS REVIEW

The commentary below is prepared based on a comparison of the results of the Group for the six months ended 30 June 2021 ("1H2021") and six months ended 30 June 2020 ("1H2020").

The Group reduced EBITDA loss of US$171.2 million in 1H2021 compared to EBITDA loss of US$204.1 million in 1H2020 due to resumption of cruise operations in Taiwan and Singapore and control of operating costs. After depreciation and amortisation, Operating Loss was at US$258.6 million in 1H2021 compared to US$323.2 million in 1H2020. Net loss in 1H2021 was US$238.3 million compared to US$742.6 million in 1H2020 due mainly to reduction in impairment losses.

Total revenue decreased to US$182.3 million in 1H2021 compared to US$226.2 million in 1H2020 mainly due to suspension of Crystal Cruises and Star Cruises operation since COVID-19 outbreak in early 2020, offset by resumption of some of Dream Cruises operations in 1H2021.

The reduction in EBITDA loss was mainly due to active drive to resume domestic cruising in Taiwan and Singapore and the effective containment of expenses in Crystal, Star and Dream Cruises, offset by the slight increase in EBITDA loss in shipyard business due to the reduced utilisation and the pre-operating costs for the preparation of Global Dream delivery in next year.

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

Share of profit of joint ventures and associates totalled US$29.0 million in 1H2021 compared with loss of US$37.4 million in 1H2020, which was mainly attributable to the profit of Travellers International Hotel Group, Inc. as a result of a gain for the services provided by its foreign subsidiary to a business partner for a project to co-develop a casino and hotel in the Philippines.

Other Income/(Expenses), net

Net other income in 1H2021 amounted to US$28.2 million compared net other expenses amounted to US$10.8 million in 1H2020. In 1H2021, net other income mainly included foreign exchange gain amounted to US$26.6 million (1H2020: loss of US$8.2 million) resulting primarily from the depreciation in Euro currency against US dollars for its Euro denominated loans and borrowings.

Other Losses, net

Net other losses in 1H2021 amounted to US$15.2 million mainly due to loss on disposal of the entire interests in an associate amounted to US$4.8 million and impairment loss on property, plant and equipment of US$10.4 million. In 1H2020, net other losses amounted to US$349.2 million mainly due to impairment loss on property, plant and equipment, intangible assets and other assets of US$185.3 million, US$137.0 million and US$12.9 million respectively.

Net Finance Costs

Net finance costs (i.e. finance costs, net of finance income) in 1H2021 was US$17.4 million compared with US$38.1 million in 1H2020 mainly due to lower interest expenses arising from lower interest rates and gain arising from loan modifications after the completion of the restructuring exercise at the end of the period.

Loss for the period

The Group recorded consolidated net loss of US$238.3 million in 1H2021, as compared with a consolidated net loss of US$742.6 million in 1H2020.

Liquidity and Financial Resources

The Group's operations continued to be affected by the effect of COVID-19. The Group's assessment on future liquidity and financial resources is disclosed in note 2.1 to the condensed consolidated interim financial information.

As at 30 June 2021, cash and cash equivalents amounted to US$453.4 million, an increase of US$236.4 million compared with US$217.0 million as at 31 December 2020.

The increase in cash and cash equivalents was primarily due to cash inflows of (i) US$794.5 million from the drawdown of loans and borrowings; and (ii) US$59.0 million capital contribution from non-controlling interests. Cash inflows were partially offset by cash outflows of (i) US$160.2 million from operating activities; (ii) US$160.5 million for capital expenditure of property, plant and equipment; and (iii) US$338.2 million for repayments of existing loans and borrowings and payments of interest and financing costs, net of refund.

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 2021 was US$610.4 million (31 December 2020: US$217.0 million), comprising cash and cash equivalents and undrawn credit facilities.

As at 30 June 2021, total loans and borrowings amounted to US$3,862.6 million (31 December 2020: US$3,384.1 million) and were mainly denominated in US dollar. Approximately 17.7% (31 December 2020: 20%) of the Group's loans and borrowings was under fixed rate and 82.3% (31 December 2020: 80%) was under floating rate. Loans and borrowings of US$913.7 million (31 December 2020: US$3,382.6 million) are classified as current liabilities but not all may ultimately be repayable within one year if the application for further debt holiday, wavier from compliance with debt covenants and waivers from past defaults for the Genting Dream sale and leaseback transaction restructuring can be finalised as explained in note 2.1 of this announcement. The outstanding borrowings and unused credit facilities of the Group are secured by legal charges over assets including fixed and floating charges of US$4.6 billion (31 December 2020: US$4.5 billion).

The Group's net debt position was US$3,409.2 million as at 30 June 2021, as compared with US$3,141.4 million as at 31 December 2020. The total equity of the Group was approximately US$2,514.9 million (31 December 2020: US$2,742.4 million). The gearing ratio as at 30 June 2021 was 135.6% (31 December 2020: 114.5%). 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.

BUSINESS HIGHLIGHTS

According to the Cruise Ships in Service Report in August 2021 issued by Cruise Industry News, about 50 percent of the global cruise fleet is expected to be back in service by the end of August 2021. The combined fleets of the nearly 90 active cruise lines currently account for approximately 410 cruise ships. The number of berths is also on the rise, going from under 26,000 in September 2020 to over 275,000 in service by 31 August 2021.

With the support of the health authorities, the Group had restarted sailing with reduced capacities of Explorer Dream in Taiwan since July 2020 till 11 May 2021, Explorer Dream suspended its operations in Taiwan since 12 May 2021 due to an outbreak of COVID-19 cases and plans to restart its operations in September 2021 as the outbreak is now under control and provided the Phase 2 alert is not extended beyond 6 September 2021. The crew is fully vaccinated and ready for the resumption.

World Dream in Singapore has resumed cruises in a fully controlled environment in compliance with relevant local health requirements since November 2020. Cruise capacity was reduced from 50% to 25% on 16 May 2021 due to an outbreak of COVID-19 and resumed back to 50% capacity on 16 June 2021 with the control of the outbreak. The capacity limit is expected to increase as Singapore has reached 80% full vaccination of its adult population and the Singapore government looks to reopen the Singapore economy towards the end of the year. The crew will be fully vaccinated by end September 2021.

Genting Dream has restarted cruising in Hong Kong on 30 July 2021 with fully vaccinated cruise passengers and crew with 50% capacity limit. This limit will be increased when it will be allowed by the Hong Kong authorities.

On 3 July 2021, Crystal Serenity has resumed sailing with new close-to-home Luxury Bahamas Escapes from Nassau and Bimini. With her new Bahamas Escapes cruises, Crystal Serenity has become the first Crystal Cruises' ship to homeport in The Bahamas since the cruise industry's voluntary halt in operations almost a year ago. The new Crystal Endeavor has also started her inaugural summer sailings on 17 July 2021 with 10-night "Luxury Iceland Expedition" voyages. Crystal Symphony has returned to service on 22 August 2021 with 10-night "Luxury Bermuda Escapes" from Boston and New York.

2021 OUTLOOK

As reported in the Company's announcement of 28 June 2021, the Group's relevant financial creditors, partners and other stakeholders have entered into definitive documentation in respect of a holistic, solvent, amendment and restatement of the Group's material financial indebtedness and recapitalisation transaction.

The major outbreak of the COVID Delta variant in the last 2 months had resulted in the suspension of cruise operations in Taiwan, the reduction of cruise capacity limit in Singapore and a month's delay in the restart of cruise operations in Hong Kong. Due to the effective measures taken by the authorities, the COVID Delta variant is under control in these three key markets. However, the COVID Delta variant in the US is not under control and is impacting demand in the US. As a result, Crystal Symphony will revert to a cold layup status after its "Luxury Bermuda Escapes" and is expected to restart in March 2022 when she resumes her itinerary in the Mediterranean.

The Company's financial results remain heavily impacted by the COVID-19 pandemic and the extent of the losses will depend on many factors including the timing of full return to service of its cruise fleet. The Company continues to seek new sources of funding in view of the uncertainties in the recovery.

OPERATING STATISTICS

The following table sets forth selected statistical information:

	Six months ended 30 June	
	2021	2020
Passenger Cruise Days	313,198	603,562
Capacity Days	839,344	848,708
Allowable Capacity Days	427,751	848,708
Adjusted Occupancy Percentage	73.2%	71.1%

We did not report nor reconcile our Gross Yield, Net Revenue, Net Yield, Gross Cruise Cost, Net Cruise Cost and Net Cruise Cost Excluding Fuel for the six months ended 30 June 2021. Historically, we have utilised these financial metrics to measure relevant rate comparisons to other periods. However, our 2021 reduction in capacity days and revenue and the changes in the nature of our costs and expenses due to the continued suspension of some of our ships as a result of the COVID-19 pandemic do not allow for a meaningful comparison to the prior period metrics and as such these metrics have been excluded from this announcement.

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 2021.

CORPORATE GOVERNANCE

In the opinion of the Directors, during the six months ended 30 June 2021, 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 2020 issued in May 2021.

REVIEW BY AUDIT COMMITTEE

This unaudited condensed consolidated interim financial information set out in this announcement 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.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises three Executive Directors, namely Tan Sri Lim Kok Thay, Mr. Au Fook Yew *(alias Mr. Colin Au)* and Mr. Chan Kam Hing Chris, and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Lam Wai Hon, Ambrose and Mr. Justin Tan Wah Joo.

On behalf of the Board

TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 31 August 2021

Forward-looking statements

This announcement contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on the current beliefs, assumptions, expectations, estimates and projections of 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 announcement only. The Company is under no obligation to revise or update publicly these forward-looking statements or any part thereof to reflect events or circumstances resulting from any new information, future events or otherwise on which any such statement was based.

Terminology

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

- Adjusted Occupancy Percentage: the ratio of Passenger Cruise Days to Allowable Capacity Days. A percentage in excess of 100% indicates that three or more passengers occupied some cabins
- Allowable Capacity Days: double occupancy per available cabin as allowed by the respective authorities multiplied by the number of cruise days for the period
- 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
- Operating Profit/Loss: EBITDA less depreciation and amortisation before impairment losses
- Passenger Cruise Days: the number of passengers carried for the period, multiplied by the number of days in their respective cruises