

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

**RIGHTS ISSUE
OF NOT LESS THAN 607,398,615 NEW SHARES OF
US\$0.10 EACH
IN THE PROPORTION OF 7 RIGHTS SHARES
FOR EVERY 50 SHARES HELD ON THE RECORD DATE
AT HK\$1.95 PER RIGHTS SHARE PAYABLE
IN FULL ON ACCEPTANCE**

Joint Underwriters



The Company proposes to raise approximately HK\$1,184 million, before expenses, by way of the Rights Issue of not less than 607,398,615 Rights Shares and not more than 609,294,870 Rights Shares at the Subscription Price of HK\$1.95 per Rights Share.

The Company will provisionally allot 7 Rights Shares in nil-paid form for every 50 Shares held by each Qualifying Shareholder on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue is not available to the Excluded Overseas Shareholders.

The net proceeds of the Rights Issue of approximately HK\$1,172 million will be used for the acquisition or construction of vessel(s) and as general working capital.

As at the date of this announcement, there are 4,338,561,537 existing Shares in issue and 13,544,680 outstanding Share Options exercisable on or before the Record Date. Assuming all the 13,544,680 Share Options are exercised on or prior to the Record Date and Shares are allotted and issued pursuant to such Share Options on or prior to the Record Date, the number of Rights Shares to be issued under the Rights Issue will be increased to 609,294,870 Rights Shares.

Each of Golden Hope and Resorts World Limited (being substantial shareholders of the Company), Joondalup Limited (a company wholly-owned by Golden Hope), Goldsfine Investments Ltd (a company equally owned by Tan Sri Lim Kok Thay, the Chairman, President and Chief Executive Officer of the Group and his spouse) and the executive Directors (namely Tan Sri Lim Kok Thay, Chong Chee Tut, William Ng Ko Seng and David Colin Sinclair Veitch) has irrevocably undertaken to the Company and the Underwriters that the Shares beneficially owned by it or him will remain so owned from the date of its or his Irrevocable Undertaking up to the close of business on the Record Date and that, in the case of each of the executive Directors who is a holder of Share Options exercisable on or before the Record Date, any Shares allotted and issued to him upon the exercise of his Share Options on or prior to the Record Date will remain beneficially owned by him as at the close of business on the Record Date, and that it or he will subscribe for or procure the subscription in full for its or his entitlement under the Rights Issue, pursuant to the terms of the Rights Issue.

The Underwriters have conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by Golden Hope, Resorts World Limited, Joondalup Limited, Goldsfine Investments Ltd and the executive Directors pursuant to their respective Irrevocable Undertakings.

Resorts World Limited, a substantial shareholder of the Company, has conditionally agreed to sub-underwrite all of the Rights Shares underwritten by the Underwriters.

The Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms referred to below under the sub-section headed “Termination of the Underwriting Agreement” below.

If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

The last day of dealings in the Shares on the Stock Exchange on a cum-rights basis is Tuesday, 29th October, 2002. The Shares will be dealt with on an ex-rights basis on the Stock Exchange from Wednesday, 30th October, 2002. To qualify for the Rights Issue, a Qualifying Shareholder’s name must appear on either of the Registers of Members on the Record Date, which is currently expected to be Wednesday, 6th November, 2002. In order to be registered as Shareholders on the Record Date, any transfers of Shares (with the relevant share certificates) must be lodged for registration by 4:00 p.m. on Thursday, 31st October, 2002 for the Hong Kong Register and by 5:00 p.m. on Thursday, 31st October, 2002 for the Bermuda Register (the Registers of Members are expected to be closed from Friday, 1st November, 2002 to Wednesday, 6th November, 2002, both days inclusive). CDP Depositors and Shareholders registered on the Bermuda Register should refer to the separate expected timetable under the section headed “Expected timetable for Shareholders on the Bermuda Register/CDP Depositors” below.

Any dealings in the Shares from now up to the date on which all conditions to which the Rights Issue is subject are fulfilled, or in the Rights Shares in nil-paid form on the Stock Exchange during the period from Monday, 18th November, 2002 to Wednesday, 27th November, 2002, both days inclusive (or on CLOB International during the period from Monday, 18th November, 2002 to Friday, 22nd November, 2002, both days inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional. The nil-paid Rights Shares quoted on CLOB International cannot be traded on the Stock Exchange and *vice versa*.

Investors may want to obtain professional advice from their advisers regarding dealings in Shares or nil-paid Rights Shares during these periods.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. Pursuant to the quotation of the Rights Shares on the Stock Exchange, the Rights Shares will be quoted on CLOB International.

The Company expects to send copies of the prospectus for the Rights Issue, the provisional allotment letter and the form of application for excess Rights Shares to each Qualifying Shareholder on or about Thursday, 14th November, 2002. The Company will also despatch the prospectus for the Rights Issue to the Excluded Overseas Shareholders and holders of the Share Options for their information only.

Trading in the Shares was suspended on the Stock Exchange with effect from 9:30 a.m. (Hong Kong time) and on CLOB International with effect from 9:00 a.m. (Singapore time) respectively on 15th October, 2002 at the request of the Company pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. (Hong Kong time) and on CLOB International with effect from 9:00 a.m. (Singapore time) on 16th October, 2002.

1. RIGHTS ISSUE

1.1 Issue statistics

Basis of the Rights Issue:	7 Rights Shares for every 50 Shares held on the Record Date
Existing issued share capital of the Company:	4,338,561,537 Shares as at the date of this announcement
Number of Rights Shares:	not less than 607,398,615 Rights Shares and not more than 609,294,870 Rights Shares
Subscription Price for the Rights Shares:	HK\$1.95 per Rights Share

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which will be allotted and issued on or before the Record Date, including Shares which will be allotted and issued to holders of the Share Options pursuant to an exercise of the subscription rights attaching to the Share Options. As at the date of this announcement, there were 13,544,680 outstanding Share Options exercisable on or before the Record Date to subscribe for up to 13,544,680 Shares. If all of the subscription rights attaching to such Share Options are exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares will be increased to 4,352,106,217 Shares and the number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 609,294,870 Rights Shares. Other than the Share Options, there are no other securities in issue which are convertible into Shares.

1.2 Qualifying Shareholders

The Company will send the provisional allotment letter and the form of application for excess Rights Shares to the Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:-

- (i) be registered as a Shareholder at the close of business on the Record Date; and
- (ii) have an address in Hong Kong, the Isle of Man, Malaysia or Singapore as recorded on the Registers of Members as at the Record Date.

CDP Depositors who are entitled to participate in the Rights Issue will each receive a letter from CDP setting out, among other things, the procedures for acceptance and payment, together with the relevant application forms for the subscription for Rights Shares and application for excess Rights Shares.

In order to be registered as a Shareholder on the Record Date, Shareholders to be registered on the Hong Kong Register must lodge any transfer of Shares (with the relevant share certificates) with Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong **by no later than 4:00 p.m. on Thursday, 31st October, 2002 (Hong Kong time).**

In order to be registered as a Shareholder on the Record Date, Shareholders to be registered on the Bermuda Register must lodge any transfer of Shares (with the relevant share certificates) with Butterfield Fund Services (Bermuda) Limited, the principal share registrar of the Company in Bermuda, at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda by no later than 5:00 p.m. on Thursday, 31st October, 2002 (Hong Kong time).

The Registers of Members will be closed from Friday, 1st November, 2002 to Wednesday, 6th November, 2002, both days inclusive. No transfer of Shares will be registered during this period. Shareholders who wish to remove their Shares from the Hong Kong Register and register with the Bermuda Register or vice versa

should contact the principal share registrar of the Company in Bermuda or the branch share registrar of the Company in Hong Kong, as appropriate, as soon as possible and ensure that the removal and registration can be completed before the closure of the Registers of Members, in order to qualify for the Rights Issue.

In order for CDP Depositors to be entitled to participate in the Rights Issue, they must have Shares credited in their respective securities accounts with CDP by 5:00 p.m. on Thursday, 31st October, 2002 (Singapore time).

1.3 Subscription Price

HK\$1.95 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or applies for excess Rights Shares, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents (i) a discount of approximately 27.8% to the closing price per Share of HK\$2.70 as quoted on the Stock Exchange on 11th October, 2002, being the last trading day prior to the date of this announcement; (ii) a discount of approximately 25.3% to the theoretical ex-rights price of approximately HK\$2.61 per Share based on the closing price per Share as quoted on the Stock Exchange on 11th October, 2002; and (iii) a discount of approximately 21.1% to the average of the closing prices per Share as quoted on the Stock Exchange for the last ten trading days prior to and including 11th October, 2002 of approximately HK\$2.47.

Each Rights Share has a par value of US\$0.10.

1.4 Status of the Rights Shares

The Rights Shares, when fully-paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

1.5 Share certificates

Certificates for all fully-paid Rights Shares are expected to be posted to subscribers who have been allotted the relevant Rights Shares by Wednesday, 18th December, 2002.

1.6 Rights of Excluded Overseas Shareholders

The Rights Issue Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong and Bermuda. A copy of the prospectus to be issued by the Company in relation to the Rights Issue will be deposited with the Securities Commission of Malaysia within seven days after the issue of the prospectus. The Directors will exercise the discretion given to them under the bye-laws of the Company not to issue the Rights Shares to the Excluded Overseas Shareholders. Accordingly, no provisional allotment letter or form of application for excess Rights Shares will be sent to such persons. In addition, no person receiving a provisional allotment letter or form of application for excess Rights Shares in any territory or jurisdiction other than Hong Kong, the Isle of Man, Malaysia and

Singapore may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made in circumstances without any further registration or filing or depositing of any of the Rights Issue Documents or any other documents as prospectus or otherwise in any jurisdiction in addition to the registration and filing of the Rights Issue Documents in Hong Kong and Bermuda and the depositing of the prospectus with the Securities Commission of Malaysia as mentioned above. The Company will send the prospectus for the Rights Issue to the Excluded Overseas Shareholders for their information only and will not send the provisional allotment letter or the form of application for excess Rights Shares to the Excluded Overseas Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, of HK\$100 or more will be paid to the Excluded Overseas Shareholders in Hong Kong dollars. The Company will keep any individual amount of less than HK\$100 for its own benefit. Any unsold Rights Shares to which the Excluded Overseas Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders.

After taking into account of the distribution of addresses of the Shareholders in different jurisdictions and the potential cost associated with the offering of the Rights Shares to various jurisdictions (including legal costs and costs for processing applications), the Directors consider it in the interests of the Company and its Shareholders as a whole to offer the Rights Shares only to Shareholders with addresses in Hong Kong, the Isle of Man, Malaysia and Singapore and provide assistance for the Excluded Overseas Shareholders to realise the value of their entitlements by way of disposal of the nil-paid Rights Shares which would otherwise be allotted to them in the markets. The aggregate shareholding of the Shareholders with addresses in Hong Kong, the Isle of Man, Malaysia and Singapore represented approximately 99.975 per cent. of the existing issued share capital as at the date of this announcement. As such, the aggregate shareholding of the Shareholders with addresses outside Hong Kong, the Isle of Man, Malaysia and Singapore only represented approximately 0.025 per cent. of the existing issued share capital of the Company. As at 30th September, 2002 and as shown in the Registers of Members, other than Hong Kong, the Isle of Man, Malaysia and Singapore, the Shareholders had addresses in about 15 jurisdictions.

1.7 Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

1.8 Application for excess Rights Shares

The Qualifying Shareholders may apply for any unsold entitlements of the Excluded Overseas Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares, and any Rights Shares provisionally allotted but not accepted.

Application may be made by completing a prescribed form of application for excess Rights Shares. The Board will allocate the excess Rights Shares at its discretion on a fair and reasonable basis, but will give preference to topping-up odd lots of Shares to whole board lots.

1.9 Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Pursuant to the quotation of the Rights Shares, in their nil-paid and fully-paid forms, on the Stock Exchange, the Rights Shares will be quoted on CLOB International in Singapore.

The Rights Shares in their nil-paid form will be traded in board lots of 1,000 Rights Shares on the Stock Exchange and in board lots of 1,000 Rights Shares on CLOB International. Dealings in the Rights Shares, in both their nil-paid and fully-paid forms, in Hong Kong will be subject to the payment of stamp duty.

The nil-paid and fully-paid Rights Shares quoted on CLOB International cannot be traded on the Stock Exchange and *vice versa*.

2. UNDERWRITING ARRANGEMENTS

2.1 Subscription undertakings

As at the date of this announcement, Golden Hope (together with Joondalup Limited, which is wholly-owned by Golden Hope) and Resorts World Limited are interested in 2,154,836,819 Shares and 1,486,926,993 Shares respectively, representing approximately 49.7% and 34.3% respectively of the existing issued share capital of the Company. Golden Hope (together with Joondalup Limited) and Resorts World Limited will be entitled to 301,677,154 Rights Shares and 208,169,779 Rights Shares respectively.

The shareholding of each of the executive Directors in the share capital of the Company as at the date of this announcement and his entitlement under the Rights Issue are as follows:-

Name of executive Director	Number of Shares	Approximate % of the existing issued share capital	Rights Share entitlement
Tan Sri Lim Kok Thay (together with Goldsfine Investments Ltd, a company equally owned by Tan Sri Lim Kok Thay and his spouse)	29,362,990	0.677	4,110,818
Chong Chee Tut	252,000	0.006	35,280
William Ng Ko Seng	137,500	0.003	19,250
David Colin Sinclair Veitch	275,000	0.006	38,500

The following are the outstanding Share Options of the executive Directors as at the date of this announcement which are exercisable on or prior to the Record Date:

Name of executive Director	Number of Shares issuable upon the exercise of the Share Options	Additional Rights Share entitlements (assuming exercise in full of the Share Options)
Tan Sri Lim Kok Thay	3,000,000	420,000
Chong Chee Tut	187,000	26,180
William Ng Ko Seng	87,500	12,250

Each of Golden Hope, Joondalup Limited, Resorts World Limited, Goldsfine Investments Ltd and the executive Directors has irrevocably undertaken to the Company and the Underwriters that the Shares beneficially owned by it or him will remain so owned from the date of its or his Irrevocable Undertaking up to the Record Date, that, in the case of each of the executive Directors who is a holder of Share Options exercisable on or before the Record Date, any Shares issued and allotted to him upon the exercise of his Share Options on or prior to the Record Date will remain beneficially owned by him as at the close of business on the Record Date, and that it or he will subscribe for or procure the subscription in full for its or his entitlement under the Rights Issue, pursuant to the terms of the Rights Issue. Other outstanding Share Options are either exercisable by other employees of the Company or will not vest until after the Record Date.

In addition to subscribing for its entitlements under the Rights Issue, Resorts World Limited may apply for excess Rights Shares.

2.2 Underwriting Agreement dated 15th October, 2002

Issuer:	the Company
Underwriters:	DBS Asia Capital Limited and The Development Bank of Singapore Ltd, both of which are independent of, and not connected with, the Company, Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)
Number of Rights Shares underwritten:	not less than 93,347,834 Rights Shares, being the total number of Rights Shares under the Rights Issue excluding 514,050,781 Rights Shares to be subscribed by Golden Hope, Joondalup Limited, Resorts World Limited, Goldsfine Investments Ltd and the executive Directors pursuant to their Irrevocable Undertakings
Commission:	2% of the aggregate Subscription Price of the Rights Shares underwritten

If the 13,544,680 outstanding Share Options exercisable on or before the Record Date to subscribe for 13,544,680 Shares are fully exercised and Shares are allotted pursuant to the exercise of such Share Options on or before the Record Date, the number of Rights Shares to be underwritten by the Underwriters under the Underwriting Agreement shall be 94,785,659 Rights Shares excluding the 458,430 Rights Shares undertaken to be subscribed by the executive Directors pursuant to their respective Irrevocable Undertakings.

2.3 Sub-underwriting arrangement

Resorts World Limited, a substantial shareholder of the Company, has conditionally agreed to sub-underwrite all of the Rights Shares underwritten by the Underwriters. Resorts World Limited is an investment holding company and its normal course of business does not include underwriting or sub-underwriting of securities.

The maximum number of Rights Shares sub-underwritten by Resorts World Limited pursuant to the Sub-underwriting Agreements is 93,347,834 Rights Shares (assuming that no new Shares are issued pursuant to the exercise, if any, of Share Options on or before the Record Date) or 94,785,659 Rights Shares (assuming that the Share Options exercisable on or before the Record Date are exercised in full and that the new Shares are allotted and issued on or before the Record Date). Assuming Resorts World Limited subscribes for 208,169,779 Rights Shares under its Irrevocable Undertaking and also takes up its maximum obligation as the sub-underwriter, the shareholding of Resorts World Limited in the Company will be increased from 1,486,926,993 Shares, representing approximately 34.3% of the issued share capital of the Company as at the date of this announcement, to 1,788,444,606 Shares (assuming that no new Shares are issued pursuant to the exercise, if any, of Share Options on or before the Record Date)

or 1,789,882,431 Shares (assuming that the Share Options exercisable on or before the Record Date are exercised in full and that the new Shares are allotted and issued on or before the Record Date), representing approximately 36.2% and approximately 36.1% respectively of the issued share capital of the Company as enlarged by the Rights Shares after completion of the Rights Issue.

Resorts World Limited will receive a sub-underwriting commission of 1% of the aggregate Subscription Price of the Rights Shares sub-underwritten by it, which is payable by the Underwriters.

2.4 Shareholding structure of the Company before and after the Rights Issue

The following table shows the shareholding structure of the Company before and after the Rights Issue:-

	Number of Shares prior to the Rights Issue	Approximate % of the existing issued share capital	Number of Shares after the Rights Issue (Note 1)	Approximate % of the issued share capital immediately after the Rights Issue (assuming none of the Share Options are exercised)	Number of Shares after the Rights Issue (Note 2)	Approximate % of the issued share capital immediately after the Rights Issue (assuming the exercisable Share Options are exercised in full)
Golden Hope (including Joondalup Limited)	2,154,836,819	49.7%	2,456,513,973	49.7%	2,456,513,973	49.5%
Resorts World Limited	1,486,926,993	34.3%	1,788,444,606	36.2%	1,789,882,431	36.1%
Executive Directors*	30,027,490	0.7%	34,231,338	0.7%	37,964,268	0.8%
Exercised Share Options	NA	NA	NA	NA	10,270,180	0.2%
Public	666,770,235	15.3%	666,770,235	13.4%	666,770,235	13.4%
Total	4,338,561,537	100.0%	4,945,960,152	100.0%	4,961,401,087	100.0%

Notes:

1. On the basis that (i) none of the Qualifying Shareholders (other than Golden Hope, Resorts World Limited and Joondalup Limited and the executive Directors) has taken up any of their provisional allotments of the Rights Shares and accordingly, the provisional allotments of the Rights Shares to all the Qualifying Shareholders (other than Golden Hope, Resorts World Limited and Joondalup Limited and the executive Directors) are taken up by Resorts World Limited in its capacity as the sub-underwriter; and (ii) assuming that none of the outstanding Share Options which are exercisable on or before the Record Date are exercised on or before the Record Date.
2. On the basis that (i) none of the Qualifying Shareholders (other than Golden Hope, Resorts World Limited and Joondalup Limited and the executive Directors) has taken up any their provisional allotments of the Rights Shares and accordingly, the provisional allotments of the Rights Shares to

all the Qualifying Shareholders (other than Golden Hope, Resorts World Limited and Joondalup Limited and the executive Directors) are taken up by Resorts World Limited in its capacity as the sub-underwriter; and (ii) assuming that all of the outstanding Share Options which are exercisable on or before the Record Date are exercised on or before the Record Date.

- * Include Shares held by Goldsfine Investments Ltd, a company equally owned by Tan Sri Lim Kok Thay and his spouse

2.5 Conditions of the Underwriting Agreement

The Underwriting Agreement and the Sub-underwriting Agreements are conditional, among other things, upon fulfillment of the following:-

- (i) the filing and registration of all relevant documents with the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong respectively;
- (ii) the depositing of a copy of the prospectus with the Securities Commission of Malaysia within seven days after the issue of the prospectus; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

2.6 Termination of the Underwriting Agreement

The Underwriters may terminate the arrangements set out in the Underwriting Agreement, the right of which is exercisable by the Underwriters by notice in writing to the Company at any time prior to 4:00 p.m. on the seventh Business Day following the latest time for acceptance of provisional allotments of the Rights Shares, which is expected to be 12th December, 2002, if there occurs (among other things):-

- (a) any change in, or any event or series of events resulting or likely to result in any change in, local, national or international financial, political, military, industrial, economic, currency or (whether or not sui generis with any of the foregoing) market conditions; or**
- (b) any change in the conditions of local, national or international securities markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange or the SGX-ST owing to exceptional financial circumstances or otherwise),**

which:-

- (1) is or will have a material adverse effect on the Company or the Group or the Rights Issue; or**
- (2) has or will have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or**

(3) makes it inadvisable or inexpedient for the Company to proceed with the Rights Issue.

Upon the giving of notice of termination, all obligations of the Underwriters under the Underwriting Agreement, and Resorts World Limited as the sub-underwriter under the Sub-underwriting Agreements, shall cease and terminate and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement or the Sub-underwriting Agreements (as the case may be).

If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.

3. CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, among other things, the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms and conditions as referred to under the sub-section headed “Termination of the Underwriting Agreement”.

If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Existing Shares will be dealt in on an ex-rights basis on the Stock Exchange from Wednesday, 30th October, 2002. The Rights Shares will be dealt with in their nil-paid form on the Stock Exchange from Monday, 18th November, 2002 to Wednesday, 27th November, 2002, both days inclusive. If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from now up to the date on which all conditions to which the Rights Issue is subject are fulfilled, or in the Rights Shares in nil-paid form on the Stock Exchange during the period from Monday, 18th November, 2002 to Wednesday, 27th November, 2002, both days inclusive (or on CLOB International during the period from Monday, 18th November, 2002 to Friday, 22nd November, 2002, both days inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional.

Investors may want to obtain professional advice from their advisers regarding dealings in Shares or nil-paid Rights Shares during these periods.

4. EXPECTED TIMETABLE FOR SHAREHOLDERS ON THE HONG KONG REGISTER

(All times in this timetable refer to Hong Kong time)

2002

Last day of dealings in Shares on a cum-rights basis on the Stock Exchange	Tuesday, 29th October
First day of dealings in Shares on an ex-rights basis on the Stock Exchange	Wednesday, 30th October
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:00 p.m. on Thursday, 31st October
Closure of the Hong Kong Register (both days inclusive)	Friday, 1st November to Wednesday, 6th November
Record Date	Wednesday, 6th November
Hong Kong Register re-opens	Thursday, 7th November
Despatch of the Rights Issue Documents by ordinary post	Thursday, 14th November
First day of dealings in nil-paid Rights Shares on the Stock Exchange	Monday, 18th November
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Friday, 22nd November
Last day of dealings in nil-paid Rights Shares on the Stock Exchange	Wednesday, 27th November
Latest time for acceptance of the Rights Shares as well as application for excess Rights Shares and payment of consideration therefor	4:00 p.m. on Monday, 2nd December
Rights Issue and Underwriting Agreement to become unconditional at or before	4:00 p.m. on Thursday, 12th December
Adjustments to the exercise price per Share and/or the number of Shares to be subscribed under the Share Options taking effect	Thursday, 12th December

Announcement of results of acceptance
of the Rights Issue Monday, 16th December

Despatch of refund cheques in respect
of wholly or partially unsuccessful
excess applications by ordinary post Wednesday, 18th December

Despatch of certificates for fully-paid
Rights Shares by ordinary post Wednesday, 18th December

Commencement of dealings in fully-paid
Rights Shares on the Stock Exchange Friday, 20th December

5. EXPECTED TIMETABLE FOR SHAREHOLDERS ON THE BERMUDA REGISTER/CDP DEPOSITORS

Note: The following is NOT applicable to Shareholders on the Hong Kong Register.

(All times in this timetable refer to Singapore time)

2002

Last day of dealings in Shares on a
cum-rights basis on CLOB International* Monday, 28th October

First day of dealings in Shares on an
ex-rights basis on CLOB International* Tuesday, 29th October

Time and date for determining entitlements to the
Rights Shares for persons holding the
Shares through CDP Thursday, 31st October 5:00 p.m. on

Latest time for lodging transfers of
Shares in order to qualify for the
Rights Issue (for persons NOT holding
Shares through CDP) Thursday, 31st October 5:00 p.m. on

Closure of the Bermuda Register
(both days inclusive) Friday, 1st November to
Wednesday, 6th November

Record Date Wednesday, 6th November

Bermuda Register re-opens Thursday, 7th November

Despatch of the Rights Issue Documents
by ordinary post Thursday, 14th November

First day of dealings in nil-paid
Rights Shares on CLOB International* Monday, 18th November

Latest time for splitting of nil-paid Rights Shares (for persons NOT holding Shares through CDP)	4:00 p.m. on Friday, 22nd November
Last day of dealings in nil-paid Rights Shares on CLOB International*	Friday, 22nd November
Latest time for acceptance of the Rights Shares as well as application for excess Rights Shares and payment of consideration therefor	4:45 p.m. on Thursday, 28th November, 2002 (for acceptance by CDP Depositors through CDP)*
	9:30 p.m. on Thursday, 28th November, 2002 (for acceptance by CDP Depositors through automated teller machines of participating banks in Singapore)*
	4:00 p.m. on Monday, 2nd December, 2002 (for Qualifying Shareholders on the Bermuda Register)
Rights Issue and Underwriting Agreement to become unconditional at or before	4:00 p.m. on Thursday, 12th December
Adjustments to the exercise price per Share and/or the number of Shares to be subscribed under the Share Options taking effect	Thursday, 12th December
Announcement of results of acceptance of the Rights Issue	Monday, 16th December
Despatch of refund cheques in respect of wholly or partially unsuccessful excess applications by ordinary post	Wednesday, 18th December
Despatch of certificates for fully-paid Rights Shares by ordinary post	Wednesday, 18th December
Commencement of dealings in fully-paid Rights Shares on CLOB International*	Friday, 20th December

* Only applicable to CDP Depositors

6. USE OF PROCEEDS

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.

The Board considers that it is in the interests of the Company and its Shareholders to enlarge the capital base of the Company by way of the Rights Issue which will allow all Shareholders, subject to the arrangements for the Excluded Overseas Shareholders as mentioned above, the opportunity to participate in the growth of the Company. The Board also believes that the enlarged capital base of the Company after completion of the Rights Issue will provide a sound base for future expansion and development of the Group's existing business activities.

The Company intends to use the net proceeds of the Rights Issue of approximately HK\$1,172 million for the acquisition or construction of vessel(s) and as general working capital in line with the Group's strategy to upgrade its fleet of vessels.

To the extent that the net proceeds of the Rights Issue are not immediately used for the above purposes, it is the present intention of the Board that the net proceeds of the Rights Issue will be placed on short term deposit. Should there be any changes in the use of proceeds of the Rights Issue, the Company will make further announcement in this regard.

7. ADJUSTMENTS TO THE EXERCISE PRICE OF THE SHARE OPTIONS OR THE NUMBER OF SHARES TO BE SUBSCRIBED UNDER THE SHARE OPTIONS

The Company has appointed an independent financial adviser to review whether or not adjustments to the exercise price of the Share Options or the number of Shares to be subscribed under the Share Options as a result of the completion of the Rights Issue are necessary. The adjustments to the exercise price of the Share Options or the number of Shares to be subscribed upon exercise of the Share Options, if any, will be disclosed in the Rights Issue Documents.

8. GENERAL

The prospectus for the Rights Issue, the provisional allotment letter and the form of application for excess Rights Shares are expected to be posted to the Qualifying Shareholders on or about Thursday, 14th November, 2002. The Company will also despatch the prospectus to the Excluded Overseas Shareholders and holders of the Share Options for their information only.

9. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange and CLOB International has been suspended since 9:30 a.m. (Hong Kong time) and 9:00 a.m. (Singapore time) respectively on 15th October, 2002 pending release of this

announcement, and application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange and CLOB International with effect from 9:30 a.m. (Hong Kong time) and 9:00 a.m. (Singapore time) respectively on 16th October, 2002.

10. DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise specified:

“Bermuda Register”	the principal register of Shareholders of the Company in Bermuda and maintained by Butterfield Fund Services (Bermuda) Limited
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange and SGX-ST are open for dealings
“CDP”	The Central Depository (Pte) Limited
“CDP Depositors”	persons (being CDP account holders or CDP depository agents) with Shares entered against their names in the Depository Register of CDP
“CLOB International”	the Central Limit Order Book International of SGX-ST
“Company”	STAR CRUISES LIMITED, an exempted company continued into Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Excluded Overseas Shareholders”	the Shareholders whose names appear on the Registers of Members at the close of business on the Record Date and whose addresses as recorded on the Registers of Members are in places outside Hong Kong, the Isle of Man, Malaysia and Singapore
“form of application for excess Rights Shares”	the form of application for excess Rights Shares for Qualifying Shareholders on the Hong Kong Register or the “Excess Rights Shares Application Form” for Qualifying Shareholders on the Bermuda Register (as appropriate) in relation to the Rights Issue
“Golden Hope”	Golden Hope Limited, a company incorporated in the Isle of Man and acting as trustee for Golden Hope Unit Trust
“Golden Hope Unit Trust”	Golden Hope Unit Trust, a private unit trust whose beneficiaries include various trusts established for the benefit of certain members of the Lim Family
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong Register”	the branch register of Shareholders of the Company in Hong Kong and maintained by Computershare Hong Kong Investor Services Limited
“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) dated 15th October, 2002 given by each of Resorts World Limited, Golden Hope, Joondalup Limited, Goldsfine Investments Ltd and the executive Directors (namely Tan Sri Lim Kok Thay, Chong Chee Tut, William Ng Ko Seng and David Colin Sinclair Veitch) in favour of the Company and the Underwriters
“Lim Family”	Tan Sri Lim Goh Tong and members of his family
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“provisional allotment letter”	the provisional allotment letter for Qualifying Shareholders on the Hong Kong Register or the provisional allotment letter for Qualifying Shareholders on the Bermuda Register (as appropriate) in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Overseas Shareholder(s), whose name(s) appear(s) on the Registers of Members at the close of business on the Record Date
“Record Date”	6th November, 2002
“Registers of Members”	the Hong Kong Register and the Bermuda Register
“Rights Issue”	the issue by way of rights of not less than 607,398,615 Rights Shares in the proportion of 7 Rights Shares for every 50 Shares held on the Record Date at the Subscription Price payable in full on acceptance
“Rights Issue Documents”	the prospectus to be issued by the Company in relation to the Rights Issue, the provisional allotment letter and the form of application for excess Rights Shares
“Rights Share(s)”	new Share(s) of US\$0.10 each to be allotted and issued under the Rights Issue
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share Options”	share options granted under the share option schemes of the Company adopted on 16th April, 1997 and 23rd August, 2000 (as effected on 30th November, 2000 and amended on 22nd May, 2002), respectively, entitling the holders thereof to subscribe for the Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of US\$0.10 each in the share capital of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.95 per Rights Share

“subsidiary”	has the meaning ascribed to it in section 2(4) of the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong)
“Sub-underwriting Agreements”	the sub-underwriting agreements dated 15th October, 2002 entered into between (i) DBS Asia Capital Limited and Resorts World Limited; and (ii) The Development Bank of Singapore Ltd and Resorts World Limited respectively in relation to the Rights Issue
“Underwriters”	DBS Asia Capital Limited and The Development Bank of Singapore Ltd
“Underwriting Agreement”	the underwriting agreement dated 15th October, 2002 entered into between the Company and the Underwriters in relation to the Rights Issue
“US\$”	US dollar(s), the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Tan Sri Lim Kok Thay
Chairman, President and Chief Executive Officer

Hong Kong, 15th October, 2002