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## STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

### DISCLOSEABLE TRANSACTION CONSTRUCTION OF TWO VESSELS

The Board of Directors announces that on 15 September 2003, the following contracts were entered into by the Group:

1. The Shipbuilding Contract No. 1 between Arrasas as buyer and the Builder in relation to the construction and delivery of Vessel No. 1 at a contract price of US\$390,000,000 (approximately HK\$3,042,000,000).
2. The Shipbuilding Contract No. 2 between SVI as the buyer, the Builder and Arrasas as guarantor in relation to the construction and delivery of Vessel No. 2 at a contract price of €356,200,000 (approximately HK\$3,121,879,000).

For the purposes of the Listing Rules, the construction of the Vessels constitutes a discloseable transaction for the Company.

#### Shipbuilding Contracts

On 15 September 2003, the Group entered into the following contracts:

- (1) the Shipbuilding Contract No. 1 between Arrasas as buyer and the Builder in relation to the construction and delivery of Vessel No. 1 at a contract price of US\$390,000,000 (approximately HK\$3,042,000,000) including an allowance for Owner's Items; and
- (2) the Shipbuilding Contract No. 2 between SVI as buyer, the Builder and Arrasas as guarantor in relation to the construction and delivery of Vessel No. 2 at a contract price of €356,200,000 (approximately HK\$3,121,879,000) including an allowance for Owner's Items.

The total contract price for the construction of the Vessels is approximately US\$790,262,000 or approximately €703,268,000 (approximately HK\$6,163,879,000).

#### Contract Terms

The terms and conditions of the Shipbuilding Contracts were determined on an arm's length basis and on normal commercial terms, and the payment terms and delivery dates meet the Group's requirements. The Board of Directors considers these terms and conditions to be fair and reasonable and in the interests of the Company based on their experience in the operation of an international cruise business.

Each of the Shipbuilding Contracts will become effective by no later than 4 p.m. (Papenburg, Germany time) or 10 p.m. (Hong Kong time) on 26 September 2003 (the "Effective Date") upon satisfaction of certain conditions including, confirmation of the availability to the respective buyers of the pre and post delivery loan financing, confirmation of the forms of insurance proposed to be used by the Builder and confirmation of the accuracy of the detailed written specifications in reflecting the agreed design of the Vessels. Should any of these conditions not be satisfied by the Effective Date or expressly waived in writing by both parties, either party may cancel the relevant Shipbuilding Contract. In the event that any of the Shipbuilding Contracts is cancelled, further announcements will be made as and when appropriate in accordance with the Listing Rules.

The Shipbuilding Contracts are inter-conditional. Subject to the satisfaction of the conditions above, Vessel No. 1 and Vessel No. 2 shall be ready for delivery in the 3rd quarter of 2005 and in the 2nd quarter of 2006 respectively (unless extended in accordance with the terms of the respective Shipbuilding Contracts).

#### Finance Terms

The Group is presently arranging loan financing to cover approximately 80% of the contract price of the Vessels. Internal resources of the Group will be used to meet the remaining 20% contract price obligation. Payment for the Vessels is according to a schedule of timed progress payments up to the respective dates of delivery. The aggregate amounts payable under the Shipbuilding Contracts in year 2003, 2004, 2005 and 2006 are as follows:

|            |   |
|------------|---|
| Year 2003: | approximately US\$55,109,000 or approximately €49,042,000 (approximately HK\$429,838,000)   |
| Year 2004: | approximately US\$239,042,000 or approximately €212,728,000 (approximately HK\$1,864,492,000)   |
| Year 2005: | approximately US\$356,368,000 or approximately €317,138,000 (approximately HK\$2,779,608,000) less any unused portion of the allowance for Owner's Items for Vessel No. 1 |
| Year 2006: | approximately US\$139,743,000 or approximately €124,360,000 (approximately HK\$1,089,941,000) less any unused portion of the allowance for Owner's Items for Vessel No. 2 |

#### General Information

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 Group currently owns a combined fleet of 20 ships with over 26,000 lower berths, 9 of which are operated in the Asia Pacific, 9 in North America and 1 in Europe. The remaining ship is bare-boat chartered to an Independent Third Party. Construction of the Vessels is in line with the Group's long term strategy in expanding its fleet for continuing business development. The Board of Directors believes that the Vessels, upon delivery and operation, will improve the operating efficiency and revenue potential of the Group. The intended use of both Vessels is within the Group's North American business operated under NCL Brand.

For the purposes of the Listing Rules, the construction of the Vessels constitutes a discloseable transaction for the Company.

A circular giving further details of the transaction will be despatched to the shareholders of the Company, for their information, in due course.

#### Definitions

|                    |  |
|--------------------|--|
| Arrasas            | Arrasas Limited, a company incorporated in the Isle of Man and a direct wholly-owned subsidiary of the Company |
| Board of Directors | The board of directors of the Company  |

|                             |  |
|-----------------------------|--|
| Builder                     | Jos. L. Meyer GmbH, the shipbuilder constructing Vessel No. 1 and Vessel No. 2 pursuant to the Shipbuilding Contract No. 1 and the Shipbuilding Contract No. 2 respectively, which is an Independent Third Party   |
| Company                     | Star Cruises Limited, a company continued into Bermuda with limited liability and having its shares listed on the Stock Exchange and traded on the Central Limit Order Book International of the Singapore Exchange Securities Trading Limited   |
| Effective Date              | The date when the Shipbuilding Contract No. 1 or the Shipbuilding Contract No.2 (as the case may be) becomes effective upon satisfaction of all the conditions as stipulated therein   |
| Euro or €                   | The common European currency pursuant to laws and resolutions implementing the European Economic and Monetary Union and/or the lawful currency of the Federal Republic of Germany  |
| Group                       | The Company and its subsidiaries   |
| HK\$                        | Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China  |
| Independent Third Party     | Each of the party concerned and its ultimate beneficial owner is independent of and not connected with the Company, the directors, the chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) |
| Listing Rules               | The Rules Governing the Listing of Securities on the Stock Exchange  |
| NCL Brand                   | Norwegian Cruise Line and NCL America, two major brands of the Group in the cruise industry  |
| Owners' Items               | Specified supplies from time to time purchased by or at the direction of the respective buyers and other costs from time to time expended by or at the direction of the respective buyers in connection with the construction of the respective Vessels  |
| SVI                         | Ship Ventures Inc., a company incorporated under the laws of Delaware, United States of America and an indirect wholly-owned subsidiary of the Company   |
| Shipbuilding Contract No. 1 | A shipbuilding contract dated 15 September 2003 between Arrasas as buyer and the Builder for the construction and delivery of Vessel No. 1   |
| Shipbuilding Contract No. 2 | A shipbuilding contract dated 15 September 2003 between SVI as buyer, the Builder and Arrasas as guarantor for the construction and delivery of Vessel No. 2   |
| Shipbuilding Contracts      | The Shipbuilding Contract No. 1 and the Shipbuilding Contract No. 2  |
| Stock Exchange              | The Stock Exchange of Hong Kong Limited  |
| US\$                        | U.S. dollars, the lawful currency of the United States of America  |
| Vessel No. 1                | The vessel to be constructed as a 1,188 cabin luxury passenger cruise vessel to be identified with the hull no. S.667 at the yard of the Builder which will be delivered to Arrasas pursuant to the Shipbuilding Contract No. 1  |
| Vessel No. 2                | The vessel to be constructed as a 1,188 cabin luxury passenger cruise vessel to be identified with the hull no. S.668 at the yard of the Builder which will be delivered to SVI pursuant to the Shipbuilding Contract No. 2  |
| Vessels                     | Vessel No. 1 and Vessel No. 2, and "Vessel" shall mean Vessel No. 1 or Vessel No. 2 as the context may require   |

By order of the Board  
**Louisa Tam Suet Lin**  
Company Secretary

Hong Kong, 19 September 2003

*In this announcement, the Hong Kong dollar amounts have been translated from U.S. dollars at the rate of US\$1.00 to HK\$7.80 and from euro at the rate of €1 to HK\$8.7644 and the U.S. dollar amounts have been translated from euro at the rate of €1 to US\$1.1237. Such translations are for the convenience of the readers only. No representation is made that the U.S. dollars and/or the euro amounts have been, could have been or could be, converted into the U.S. dollars and/or the Hong Kong dollars, or vice versa, at such rates or at any other rates on any relevant dates.*