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**STAR CRUISES LIMITED**  
(Continued into Bermuda with limited liability)

**PROPOSED ISSUE OF CONVERTIBLE BONDS  
AND  
RIGHTS ISSUE  
OF NOT LESS THAN 346,279,166 NEW SHARES OF  
US\$0.10 EACH  
IN THE PROPORTION OF 7 RIGHTS SHARES  
FOR EVERY 100 SHARES HELD ON THE RECORD DATE  
AT HK\$2.25 PER RIGHTS SHARE PAYABLE  
IN FULL ON ACCEPTANCE**

**Sole Bookrunner and Lead Manager for the Issue of Convertible Bonds  
and  
Underwriter for the Rights Issue**



**PROPOSED ISSUE OF CONVERTIBLE BONDS**

The Directors are pleased to announce that on 15 October 2003, the Company entered into the Subscription Agreement with the Managers in connection with the issue of Convertible Bonds by the Company with an aggregate principal amount of US\$150 million (approximately HK\$1,161 million) or, if the Option is exercised in full, with an aggregate principal amount of US\$180 million (approximately HK\$1,394 million). The Convertible Bonds are denominated in US dollar and are convertible into ordinary shares of US\$0.10 each in the share capital of the Company.

On 16 October 2003, the Lead Manager (on behalf of the Managers) exercised the Option in full.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed "Proposed Issue of Convertible Bonds - Conditions of the Subscription Agreement". In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the section headed "Proposed Issue of Convertible Bonds - Termination" below for further information.**

**As the Subscription Agreement may or may not complete, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares of the Company.**

The Convertible Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the US Securities Act. None of the Convertible Bonds will be offered to the public in Hong Kong and none of the Convertible Bonds will be placed to any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules).

An application has been made for the listing of the Convertible Bonds on the Luxembourg Stock Exchange. The Company has applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

As the Option has been exercised in full, the net proceeds of the issue of the Convertible Bonds are estimated to be approximately US\$176.2 million (approximately HK\$1,364 million). The net proceeds are currently intended to be used by the Group for the acquisition or construction of vessels in line with the Group's strategy to upgrade its fleet of vessels, as general working capital of the Group and/or for the reduction of outstanding liabilities under certain bank loans of the Group.

**RIGHTS ISSUE**

The Company also proposes to raise approximately HK\$779 million, before expenses, by way of the Rights Issue of not less than 346,279,166 Rights Shares and not more than 348,319,625 Rights Shares at the Subscription Price of HK\$2.25 per Rights Share.

The Company will provisionally allot 7 Rights Shares in nil-paid form for every 100 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\$768.5 million will be used by the Group for the acquisition or construction of vessels in line with the Group's strategy to upgrade its fleet of vessels, as general working capital of the Group and/or for the reduction of outstanding liabilities under certain bank loans of the Group.

As at the date of this announcement, there are 4,946,845,242 existing Shares in issue and 29,149,401 outstanding Share Options exercisable on or before the Record Date. Assuming all the 29,149,401 Share Options are exercised on or prior to the Record Date and Shares are issued and allotted 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 348,319,625 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 Underwriter that: (i) 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; (ii) 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 (iii) 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 Underwriter has 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 Underwriter.

**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 under the section headed "Rights Issue - Underwriting Arrangements for the Rights Issue - 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 Hong Kong Stock Exchange on a cum-rights basis will be 29 October 2003. The Shares will be dealt with on an ex-rights basis on the Hong Kong Stock Exchange from 30 October 2003. 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 4 November 2003. 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 31 October 2003 for the Hong Kong Register and by 5:00 p.m. on 31 October 2003 for the Bermuda Register (the Registers of Members are expected to be closed from 3 November 2003 to 4 November 2003, both days inclusive). CDP Depositors and Shareholders registered on the Bermuda Register should refer to the separate expected timetable under the section headed "Rights Issue - 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 Hong Kong Stock Exchange during the period from 14 November 2003 to 26 November 2003, both days inclusive (or on CLOB International during the period from 14 November 2003 to 20 November 2003, 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 Hong Kong Stock Exchange and vice versa.

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

The Company will apply to the Hong Kong 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 Hong Kong 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 12 November 2003. 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 Hong Kong 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 16 October and 17 October 2003 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 Hong Kong 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 20 October 2003.

Owing to the price sensitive nature of the transactions contemplated in this announcement, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares of the Company.

## 1. PROPOSED ISSUE OF CONVERTIBLE BONDS

### 1.1 Introduction

The Directors are pleased to announce that on 15 October 2003, the Company entered into the Subscription Agreement with the Managers in connection with the issue of the Convertible Bonds with an aggregate principal amount of US\$150 million (approximately HK\$1,161 million) or, if the Option is exercised in full, the aggregate principal amount of the Convertible Bonds will be US\$180 million (approximately HK\$1,394 million). The Convertible Bonds are denominated in US dollar and are convertible into ordinary shares of US\$0.10 each in the share capital of the Company. On 16 October 2003, the Lead Manager (on behalf of the Managers) exercised the Option in full.

### 1.2 Subscription Agreement

Date: 15 October 2003

Parties: The Company and the Managers

The Lead Manager is the global coordinator, sole bookrunner and lead manager in respect of the subscription and issue of the Convertible Bonds. The Lead Manager and its ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company.

Subject to the fulfillment of the conditions set out below under the sub-section headed "Conditions of the Subscription Agreement" and pursuant to the terms of the Subscription Agreement, the Managers have agreed, among other things, to subscribe for the Convertible Bonds.

The Convertible Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the US Securities Act. None of the Convertible Bonds will be offered to the public in Hong Kong and none of the Convertible Bonds will be placed to any connected persons (as defined in the Listing Rules) of the Company.

The Company granted an option to the Lead Manager which could be exercised by the Lead Manager on behalf of the Managers, in whole or in part and on one or more occasions, at any time up to and including the 30th day following the Closing Date, to require the Company to issue Optional Convertible Bonds. The Option was exercised in full by the Lead Manager on 16 October 2003 so that the aggregate principal amount of the Convertible Bonds is US\$180 million (approximately HK\$1,394 million).

### 1.3 Certain undertakings relating to the Subscription Agreement

The Company has undertaken to the Managers (among other things) that (except for the issue of Shares pursuant to the Rights Issue, the Share Options and the grant of options under the Company's share option schemes), neither it nor any of its subsidiaries or other affiliates over which it exercises management or voting control nor any person acting on its or their behalf will, for a period of 90 days after the Closing Date, without the prior written consent of the Lead Manager, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) securities issued by the Company and having a maturity of more than one year from the date of issue, any Shares or securities convertible or exchangeable into or exercisable for Shares of the Company or warrants or other rights to purchase Shares of the Company or any security or financial product whose value is determined directly or indirectly by reference to the price of Shares, including equity swaps, forward sales and options representing the right to receive any Shares save for Shares to be issued pursuant to the conversion provisions of the Convertible Bonds.

### 1.4 Conditions of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, among other things:

- the Luxembourg Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Lead Manager, to list the Convertible Bonds (or the Lead Manager being reasonably satisfied that such approval will be granted);
- the Hong Kong Stock Exchange having granted approval of the listing of, and permission to deal in, the Conversion Shares (or the Lead Manager being reasonably satisfied that such approval will be granted); and
- on or prior to the Closing Date, each of Resorts World Limited and Golden Hope having undertaken not to sell any Shares or enter into other transactions with a similar effect for a period of 90 days from the Closing Date.

### 1.5 Termination

The Subscription Agreement may be terminated in certain circumstances. In particular, the Lead Manager may terminate the Subscription Agreement by notice in writing to the Company at any time on or prior to the payment of the net subscription monies for the Convertible Bonds to the Company. Such circumstances include, without limitation:

- if there comes to the notice of the Lead Manager any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement; and
- if there occurs any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls which would in the Lead Manager's opinion be likely to prejudice materially the success of the issue of the Convertible Bonds and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market.

Subject to the foregoing, completion of the subscription and issue of the Convertible Bonds shall take place on the Closing Date, which is expected to be on or about 20 October 2003.

### 1.6 Principal Terms of the Bonds

The principal terms of the Bonds, which will be constituted by the Trust Deed, are summarised as follows:

Issuer The Company

Sole Bookrunner and Lead Manager	The Lead Manager
Principal Amount	US\$150 million (approximately HK\$1,161 million), or up to US\$180 million (approximately HK\$1,394 million) if the Option is exercised in full
Maturity Date	20 October 2008
Issue Price	100% of the principal amount
Interest	The Convertible Bonds will bear interest from 20 October 2003 at the rate of 2.0% per annum payable semi-annually in arrear on 20 April and 20 October each year, commencing 20 April 2004.
Conversion	Subject to certain conditions, the Convertible Bonds are convertible at any time on or after 19 November 2003 and prior to 19 September 2008 into Conversion Shares at the Conversion Price (as described below) (subject to adjustment).
Conversion Price	The price at which a Conversion Share will be issued will be HK\$3.180 per Conversion Share (rounded to three decimal places). The Conversion Price will be subject to adjustment for, among other things, subdivision or consolidation of the Shares, bonus issues, rights issues and other dilutive events.
Conversion Price Reset	The Conversion Price will be adjusted on 20 October 2006 (the "Reset Date") in the event that the average of the closing price of the Shares for the 20 consecutive Trading Days (as defined in the Terms and Conditions) immediately prior to the Reset Date converted into US dollars at the prevailing rate is less than the Conversion Price on the Reset Date (converted into US dollars at the fixed rate of exchange of HK\$7.743 = US\$1.00), provided that any adjustment to the Conversion Price shall be limited such that, among other things, the adjusted Conversion Price shall in no event be less than 85% of the initial Conversion Price (as adjusted from time to time).
Redemption at Maturity	Unless previously redeemed, converted or purchased and cancelled in the circumstances set out in the Terms and Conditions, the Company will redeem the Convertible Bonds on the Maturity Date at 120.136% of the outstanding principal amount thereof, plus accrued and unpaid interest.
Cash settlement option of the Company	The Company may, at its option, satisfy its obligation to deliver Conversion Shares pursuant to the exercise of the right of conversion of a Bondholder, in whole or in part, by paying to the relevant Bondholder an amount of cash in US dollars equal to the product of (i) the number of Conversion Shares otherwise deliverable upon exercise of such Bondholder's right of conversion in respect of which the Company has elected to satisfy by cash and (ii) the arithmetic average of the closing price of the Shares on the Hong Kong Stock Exchange for each day during the 10 Trading Days immediately following the conversion date and converted into US dollars by applying the fixed rate of exchange of HK\$7.743 = US\$1.00.
Redemption at the option of the Company	The Company may redeem the Convertible Bonds, in whole or in part, on or at any time after 20 October 2005, but not less than seven business days prior to the Maturity Date (as described above), subject to satisfaction of certain conditions, at the Early Redemption Amount (as defined in the Terms and Conditions) plus accrued interest at the date fixed for such redemption provided that the closing price of the Shares for each of 30 consecutive Trading Days, the last day of which period occurs no more than 20 Trading Days prior to the date upon which notice of such redemption, if given, was at least 125% of the Conversion Price in effect on such Trading Day.
Redemption at the option of the Bondholders	If at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10% of the aggregate principal amount originally issued, the Company shall have the option to redeem such outstanding Convertible Bonds in whole but not in part at the Early Redemption Amount together with accrued interest.
Form and Denomination	The Convertible Bonds may be redeemed, at the option of the Bondholders, in the event of a Change of Control or a Delisting (as such terms are defined in the Terms and Conditions), at the Early Redemption Amount together with accrued and unpaid interest.
Status	The Convertible Bonds will be in registered form and in denominations of US\$1,000 or integral multiples thereof.
Negative Pledges	The Convertible Bonds will be represented by a global certificate, which will be registered in the name of a nominee of, and will be deposited on or about the Closing Date with a common depositary for, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, Luxembourg.
	The Convertible Bonds will be direct, senior, unsubordinated, unconditional and unsecured obligations of the Company and will at all times rank at least <i>pari passu</i> in right of payment with all other senior, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> among themselves, except as may be required by mandatory provisions of law.
	So long as any Convertible Bond remains outstanding, the Company has agreed that, unless certain conditions are met, it will not create or permit to subsist, and the Company will procure that no subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any International Investment Securities or to secure any guarantee of or indemnity in respect of, any International Investment Securities.

Listing Application has been made for the listing of the Convertible Bonds on the Luxembourg Stock Exchange. No application will be made for the listing of the Convertible Bonds on any other stock exchange.

Application has been made for the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange.

### 1.7 Comparison of the Conversion Price

The Conversion Price of HK\$3.180 per Conversion Share (rounded to three decimal places) (subject to adjustment) represents:

- a 27.2% premium to the closing price of HK\$2.50 per Share as quoted on the Hong Kong Stock Exchange on 15 October 2003, being the last trading date prior to the release of this announcement; and
- a 27.7% premium to the average closing price of HK\$2.49 per Share as quoted on the Hong Kong Stock Exchange for the 10 trading days up to and including 15 October 2003.

### 1.8 Conversion Shares

For illustrative purpose and assuming conversion at HK\$3.180 per Conversion Share (rounded to three decimal places) (subject to adjustment), the Convertible Bonds with an aggregate principal amount of US\$180 million (approximately HK\$1,394 million) are convertible into approximately 438,349,140 Conversion Shares, representing approximately 8.86% of the existing issued share capital of the Company and approximately 8.14% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares; without taking into account (for the calculation of the percentage of the enlarged issued share capital) the Shares to be issued pursuant to the Share Options and the Rights Issue. For further information on the possible changes to the shareholding structure of the Company, please refer to the section headed "Changes in the Shareholding Structure of the Company" below.

The Conversion Shares will be issued pursuant to the general mandate given to the Directors at the annual general meeting of the Company held on 20 May 2003.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. As the Subscription Agreement may or may not complete, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares of the Company.**

## 2. RIGHTS ISSUE

### 2.1 Issue statistics

Basis of the Rights Issue:	7 Rights Shares for every 100 Shares held on the Record Date
Existing issued share capital of the Company:	4,946,845,242 Shares as at the date of this announcement
Number of Rights Shares:	not less than 346,279,166 Rights Shares and not more than 348,319,625 Rights Shares
Subscription Price for the Rights Shares:	HK\$2.25 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 may be issued and allotted on or before the Record Date, including Shares which will be issued and allotted 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 29,149,401 outstanding Share Options exercisable on or before the Record Date to subscribe for up to 29,149,401 Shares. If all of the subscription rights attaching to such Share Options are exercised and Shares are issued and allotted pursuant to such exercise on or before the Record Date, the number of issued Shares will be increased to 4,975,994,643 Shares and the number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 348,319,625 Rights Shares. Other than the Share Options, there are no other securities in issue which are convertible into Shares.

### 2.2 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:

- be registered as a Shareholder at the close of business on the Record Date; and
- have an address in Hong Kong, the Isle of Man, Malaysia or Singapore as recorded on either of 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 the form of 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 31 October 2003 (Hong Kong time).

Likewise, 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 31 October 2003 (Hong Kong time).

**The Registers of Members will be closed from 3 November 2003 to 4 November 2003, 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 31 October 2003 (Singapore time).

### 2.3 Subscription Price

HK\$2.25 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 10.0% to the closing price per Share of HK\$2.50 as quoted on the Hong Kong Stock Exchange on 15 October 2003, being the last trading day prior to the date of this announcement; (ii) a discount of approximately 9.4% to the theoretical ex-rights price of approximately HK\$2.484 per Share based on the closing price per Share

as quoted on the Hong Kong Stock Exchange on 15 October 2003; and (iii) a discount of approximately 9.6% to the average of the closing prices per Share as quoted on the Hong Kong Stock Exchange for the last ten trading days prior to and including 15 October 2003 of approximately HK\$2.49.

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

### 2.4 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.

### 2.5 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 16 December 2003.

### 2.6 Rights of Excluded Overseas Shareholders

The Prospectus 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 Prospectus Documents or any other documents as prospectus or otherwise in any jurisdiction in addition to the registration and filing of the Prospectus 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 the distribution of addresses of the Shareholders in different jurisdictions and the potential costs 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 99.977% of the existing issued share capital of the Company 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 0.023% of the existing issued share capital of the Company. As at 30 September 2003 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.

### 2.7 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.

### 2.8 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.

### 2.9 Application for listing

The Company will apply to the Listing Committee of the Hong Kong 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 Hong Kong 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 Hong Kong Stock Exchange and in board lots of 1,000 Rights Shares and any other board lot sizes as the SGX-ST may require 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 Hong Kong Stock Exchange and *vice versa*.

### 2.10 Underwriting Arrangements for the Rights Issue

#### (a) 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 2,456,513,973 Shares and 1,731,200,772 Shares respectively, representing approximately 49.66% and 34.99% respectively of the existing issued share capital of the Company. Golden Hope (together with Joondalup Limited) and Resorts World Limited will be entitled to 171,955,977 Rights Shares and 121,184,054 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)	34,043,808	0.688%	2,383,066
Chong Chee Tut	426,360	0.009%	29,845
William Ng Ko Seng	160,000	0.003%	11,200
David Colin Sinclair Veitch	313,500	0.006%	21,945

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 exercise of the Share Options	Additional Rights Share entitlements (assuming exercise in full of the Share Options)
Tan Sri Lim Kok Thay	7,125,000	498,750
Chong Chee Tut	372,780	26,094
William Ng Ko Seng	247,950	17,356
David Colin Sinclair Veitch	228,000	15,960

Each of Golden Hope, Joondalup Limited, Resorts World Limited, Goldsfine Investments Ltd. and the executive Directors has irrevocably undertaken to the Company and the Underwriter that: (i) 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; (ii) 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 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 (iii) 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.

Resorts World Limited has not indicated to the Company whether it would or would not apply for excess Rights Shares.

(b) *Underwriting Agreement dated 16 October 2003*

Issuer:	The Company
Underwriter:	J.P. Morgan Securities Ltd., which is independent of, and not connected with, the Company, the directors, the 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 50,693,079 Rights Shares, being the total number of Rights Shares under the Rights Issue excluding 295,586,087 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:	2.0% of the aggregate Subscription Price of the Rights Shares underwritten

If the 29,149,401 outstanding Share Options exercisable on or before the Record Date to subscribe for 29,149,401 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 Underwriter under the Underwriting Agreement shall be 52,175,378 Rights Shares, excluding the 296,144,247 Rights Shares undertaken to be subscribed by Golden Hope, Joondalup Limited, Resorts World Limited, Goldsfine Investments Ltd. and the executive Directors pursuant to their respective Irrevocable Undertakings.

(c) *Sub-underwriting arrangement*

Resorts World Limited, a substantial shareholder of the Company, has conditionally agreed with the Underwriter to sub-underwrite all of the Rights Shares underwritten by the Underwriter. 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 Agreement is 50,693,079 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 52,175,378 Rights Shares (assuming that the Share Options exercisable on or before the Record Date are exercised in full and that new Shares are allotted and issued on or before the Record Date pursuant to such exercise).

Assuming Resorts World Limited subscribes for 121,184,054 Rights Shares under its Irrevocable Undertaking and also takes up its maximum obligation of 50,693,079 Rights Shares as the sub-underwriter, the shareholding of Resorts World Limited in the Company will be increased from 1,731,200,772 Shares, representing approximately 34.99% of the issued share capital of the Company as at the date of this announcement, to 1,903,077,905 Shares (assuming that no new Shares are issued pursuant to the exercise, if any, of Share Options on or before the Record Date) or 1,904,560,204 Shares (assuming that the Share Options exercisable on or before the Record Date are exercised in full and that new Shares are allotted and issued on or before the Record Date pursuant to such exercise), representing approximately 35.95% and approximately 35.77% 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 1.0% of the aggregate Subscription Price of the Rights Shares sub-underwritten by it, which is payable by the Underwriter.

(d) *Conditions of the Underwriting Agreement*

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

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

(e) *Termination of the Underwriting Agreement*

The Underwriter may terminate the arrangements set out in the Underwriting Agreement, the right of which is exercisable by the Underwriter 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 1 December 2003, if there occurs (among other things):

- 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
- 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 Hong Kong Stock Exchange or the SGX-ST owing to exceptional financial circumstances or otherwise),

which:

- is or will have a material adverse effect on the Company or the Group or the Rights Issue; or
- has or will have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- 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 Underwriter under the Underwriting Agreement, and those of Resorts World Limited as the sub-underwriter under the Sub-underwriting Agreement, 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 Agreement (as the case may be).

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed.

2.11 *Conditions of the Rights Issue*

The Rights Issue is conditional upon, among other things, the obligations of the Underwriter 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" above.

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 Hong Kong Stock Exchange from 30 October 2003. The Rights Shares will be dealt with in their nil-paid form on the Hong Kong Stock Exchange from 14 November 2003 to 26 November 2003, both days inclusive. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealings in 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 Hong Kong Stock Exchange during the period from 14 November 2003 to 26 November 2003, both days inclusive (or on CLOB International during the period from 14 November 2003 to 20 November 2003, 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.

2.12 *Expected Timetable for Shareholders on The Hong Kong Register*

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

2003

Last day of dealings in Shares on a cum-rights basis on the Hong Kong Stock Exchange	Wednesday, 29 October
First day of dealings in Shares on an ex-rights basis on the Hong Kong Stock Exchange	Thursday, 30 October
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:00p.m. on Friday, 31 October
Closure of the Hong Kong Register (both days inclusive)	Monday, 3 November to Tuesday, 4 November
Record Date	Tuesday, 4 November
Hong Kong Register re-opens	Wednesday, 5 November
Despatch of the Prospectus Documents by ordinary post	Wednesday, 12 November
First day of dealings in nil-paid Rights Shares on the Hong Kong Stock Exchange	Friday, 14 November
Latest time for splitting of nil-paid Rights Shares	4:00p.m. on Friday, 21 November
Last day of dealings in nil-paid Rights Shares on the Hong Kong Stock Exchange	Wednesday, 26 November
Latest time for acceptance of the Rights Shares as well as application for excess Rights Shares and payment of consideration therefor	4:00p.m. on Monday, 1 December
Rights Issue and Underwriting Agreement to become unconditional at or before	4:00p.m. on Wednesday, 10 December
Adjustments to the exercise price per Share and/or the number of Shares to be subscribed under the Share Options taking effect	Wednesday, 10 December
Announcement of results of acceptance of the Rights Issue	Friday, 12 December
Despatch of refund cheques in respect of wholly or partially unsuccessful excess applications by ordinary post	Tuesday, 16 December

Despatch of certificates for fully-paid  
Rights Shares by ordinary post . . . . . Tuesday, 16 December

Commencement of dealings in fully-paid  
Rights Shares on the Hong Kong Stock Exchange . . . . . Thursday, 18 December

### 2.13 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)

2003  
Last day of dealings in Shares on a  
cum-rights basis on CLOB International\* . . . . . Tuesday, 28 October

First day of dealings in Shares on an  
ex-rights basis on CLOB International\* . . . . . Wednesday, 29 October

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

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

Closure of the Bermuda Register (both days inclusive) . . . . . Monday, 3 November to  
Tuesday, 4 November

Record Date . . . . . Tuesday, 4 November

Bermuda Register re-opens . . . . . Wednesday, 5 November

Despatch of the Prospectus Documents by ordinary post . . . . . Wednesday, 12 November

First day of dealings in nil-paid  
Rights Shares on CLOB International\* . . . . . Friday, 14 November

Latest time for splitting of nil-paid Rights Shares  
(for persons NOT holding Shares through CDP) . . . . . 4:00p.m. on  
Thursday, 20 November

Last day of dealings in nil-paid  
Rights Shares on CLOB International\* . . . . . Thursday, 20 November

Latest time for acceptance of the Rights Shares as well as  
application for excess Rights Shares and payment of  
consideration therefor . . . . . 4:45p.m. on  
Thursday, 27 November  
(for acceptance by CDP Depositors through CDP)\*

9:30p.m. on  
Thursday, 27 November  
(for acceptance by CDP Depositors through automated  
teller machines of participating banks in Singapore)\*

4:00p.m. on  
Monday, 1 December  
(for Qualifying Shareholders on the Bermuda Register)

Rights Issue and Underwriting Agreement to  
become unconditional at or before . . . . . 4:00p.m. on  
Wednesday, 10 December

Adjustments to the exercise price per Share and/or  
the number of Shares to be subscribed under  
the Share Options taking effect . . . . . Wednesday, 10 December

Announcement of results of acceptance of the Rights Issue . . . . . Friday, 12 December

Despatch of refund cheques in respect of wholly or partially  
unsuccessful excess applications by ordinary post . . . . . Tuesday, 16 December

Despatch of certificates for fully-paid  
Rights Shares by ordinary post . . . . . Tuesday, 16 December

Commencement of dealings in fully-paid  
Rights Shares on CLOB International\* . . . . . Thursday, 18 December

\* Only applicable to CDP Depositors

**Owing to the price sensitive nature of the transactions contemplated in this announcement, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares of the Company.**

### 3. CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

#### 3.1 Shareholding Structure of the Company before and after the issue of the Conversion Shares\* (without taking into account the Shares to be issued pursuant to the Rights Issue and the exercise of the Share Options)

	Number of existing Shares in issue prior to the issue of the Conversion Shares	Approximate % of the existing issued share capital	Number of Shares after the issue of the Conversion Shares	Approximate % of the enlarged issued share capital
Golden Hope (including Joondalup Limited)	2,456,513,973	49.66%	2,456,513,973	45.61%
Resorts World Limited	1,731,200,772	34.99%	1,731,200,772	32.15%
Executive Directors**	34,943,668	0.71%	34,943,668	0.65%
Public	724,186,829	14.64%	1,162,535,969	21.59%
Total	<u>4,946,845,242</u>	<u>100.00%</u>	<u>5,385,194,382</u>	<u>100.00%</u>

#### 3.2 Shareholding Structure of the Company before and after the issue of the Conversion Shares\* and the Rights Shares (without taking into account the Shares to be issued pursuant to the exercise of the Share Options)

	Number of existing Shares in issue prior to the issue of the Conversion Shares and the Rights Shares	Approximate % of the existing issued share capital	Number of Shares after the issue of the Conversion Shares and the Rights Shares (Note 1)	Approximate % of the enlarged issued share capital
Golden Hope (including Joondalup Limited)	2,456,513,973	49.66%	2,628,469,950	45.86%
Resorts World Limited	1,731,200,772	34.99%	1,903,077,905	33.21%
Executive Directors**	34,943,668	0.71%	37,389,724	0.65%
Public	724,186,829	14.64%	1,162,535,969	20.28%
Total	<u>4,946,845,242</u>	<u>100.00%</u>	<u>5,731,473,548</u>	<u>100.00%</u>

#### 3.3 Shareholding Structure of the Company before and after the issue of the Conversion Shares\*, the Rights Shares and the Shares to be issued pursuant to the exercise of the Share Options

	Number of existing Shares in issue prior to the issue of the Conversion Shares, the Rights Shares and the Shares to be issued pursuant to the exercise of the Share Options	Approximate % of the existing issued share capital	Number of Shares after the issue of the Conversion Shares, the Rights Shares and the Shares to be issued pursuant to the exercise of the Share Options (Note 2)	Approximate % of the enlarged issued share capital
Golden Hope (including Joondalup Limited)	2,456,513,973	49.66%	2,628,469,950	45.61%
Resorts World Limited	1,731,200,772	34.99%	1,904,560,204	33.05%
Executive Directors**	34,943,668	0.71%	45,921,614	0.80%
Public	724,186,829	14.64%	1,183,711,640	20.54%
Total	<u>4,946,845,242</u>	<u>100.00%</u>	<u>5,762,663,408</u>	<u>100.00%</u>

#### 3.4 Shareholding structure of the Company before and after the Rights Issue (assuming the proposed issue of the Convertible Bonds does not complete or the Convertible Bonds are not converted)

	Number of existing Shares in issue prior to the Rights Issue	Approximate % of the existing issued share capital	Number of Shares in issue after the Rights Issue (Note 1)	Approximate % of the enlarged issued share capital immediately after the Rights Issue (assuming the Share Options are exercised in full)	Number of Shares in issue after the Rights Issue (Note 2)	Approximate % of the enlarged issued share capital immediately after the Rights Issue (assuming the Share Options are exercised in full)
Golden Hope (including Joondalup Limited)	2,456,513,973	49.66%	2,628,469,950	49.37%	2,628,469,950	49.37%
Resorts World Limited	1,731,200,772	34.99%	1,903,077,905	35.77%	1,904,560,204	35.77%
Executive Directors**	34,943,668	0.71%	37,389,724	0.86%	45,921,614	0.86%
Public	724,186,829	14.64%	724,186,829	14.00%	745,362,500	14.00%
Total	<u>4,946,845,242</u>	<u>100.00%</u>	<u>5,293,124,408</u>	<u>100.00%</u>	<u>5,324,314,268</u>	<u>100.00%</u>

Notes:

1. On the basis that (i) none of the Qualifying Shareholders (other than Golden Hope, Resorts World Limited, Joondalup Limited and the executive Directors) has taken up any of its 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, 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, Joondalup Limited and the executive Directors) has taken up any its 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, 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.

\* On the basis that the Convertible Bonds with an aggregate principal amount of US\$180 million have been converted in full.

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

### 4. USE OF PROCEEDS OF THE ISSUE OF CONVERTIBLE BONDS AND THE RIGHTS ISSUE

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 Company raised approximately US\$150.3 million of net proceeds from its rights issue in December 2002. As at 30 September 2003, the Group had applied approximately US\$49.0 million to fund the construction and acquisition of ships and approximately US\$15.8 million as general working capital. The remainder of the net proceeds of approximately US\$85.5 million, together with the net proceeds from the issue of the Convertible Bonds and the Rights Issue of approximately US\$275 million (approximately HK\$2,133 million), is intended to be used by the Group for the acquisition or construction of vessels in line with the Group's strategy to upgrade its fleet, as general working capital of the Group and/or for the reduction of outstanding liabilities under certain bank loans of the Group.

To the extent that the net proceeds of the issue of the Convertible Bonds and/or 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 issue of the Convertible Bonds and the Rights Issue will be placed on short term deposit. Should there be any changes in the use of proceeds by the Group, a further announcement will be made by the Company as and when appropriate.

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. In addition, the issue of the Convertible Bonds may diversify the Company's investor base and should not cause any immediate dilution to the shareholding interests of the existing shareholders of the Company.

##### 5. 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 prospectus to be issued by the Company in connection with the Rights Issue.

##### 6. 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 12 November 2003. The Company will also despatch the prospectus to the Excluded Overseas Shareholders and holders of the Share Options for their information only.

##### 7. ADDITIONAL INFORMATION

The Offering Circular in respect of the proposed issue of the Convertible Bonds has been prepared for distribution to selected professional investors. Since the Offering Circular discloses information which has not been previously furnished to the Shareholders, extracts of certain material financial information from the Offering Circular are set out below for the general information of Shareholders. All numbers in this announcement are subject to rounding. Such information will also be set out in the prospectus to be issued in respect of the Rights Issue.

##### Capitalisation

	As at 30 June 2003				
	Actual	Adjusted <sup>(1)</sup>	Adjusted <sup>(2)</sup>	Adjusted <sup>(3)</sup>	Adjusted <sup>(4)</sup>
	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
<b>Borrowings</b>					
Current portion of the long-term bank loans	347	347	347	347	347
Long-term bank loans (net of current portion)	2,020	2,020	2,020	2,020	2,020
Convertible Bonds	—	150	150	180	180
	<u>2,367</u>	<u>2,517</u>	<u>2,517</u>	<u>2,547</u>	<u>2,547</u>
<b>Shareholders' funds</b>					
Issued and fully paid-up share capital	495	495	530	495	530
Share premium	1,203	1,203	1,267	1,203	1,267
Additional paid-in capital	93	93	93	93	93
Foreign currency translation adjustments	(24)	(24)	(24)	(24)	(24)
Unamortised share option expense	(3)	(3)	(3)	(3)	(3)
Cash flow hedge reserve	(48)	(48)	(48)	(48)	(48)
Retained profits	65	65	65	65	65
Total shareholders' funds	<u>1,781</u>	<u>1,781</u>	<u>1,880</u>	<u>1,781</u>	<u>1,880</u>
Total capitalisation <sup>(5)</sup>	3,801	3,951	4,050	3,981	4,080
Total current portion of the long-term bank loans and capitalisation	<u>4,148</u>	<u>4,298</u>	<u>4,397</u>	<u>4,328</u>	<u>4,427</u>

##### Notes:

- (1) Assuming the Lead Manager does not exercise the option to purchase an additional US\$30 million in aggregate principal amount of the Bonds.
- (2) Assuming the Lead Manager does not exercise the option to purchase an additional US\$30 million in aggregate principal amount of the Bonds and the Rights Issue becomes unconditional.
- (3) Assuming the Lead Manager exercises the option to purchase an additional US\$30 million in aggregate principal amount of the Bonds in full.
- (4) Assuming the Lead Manager exercises the option to purchase an additional US\$30 million in aggregate principal amount of the Bonds in full and the Rights Issue becomes unconditional.
- (5) Save as disclosed above, there has been no material change in the total consolidated debt and capitalisation of the Group since 30 June 2003.

##### 8. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Hong Kong 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 16 October and 17 October 2003 pending the release of this announcement, and application has been made by the Company for the resumption of trading in the Shares on the Hong Kong Stock Exchange and CLOB International with effect from 9:30 a.m. (Hong Kong time) and 9:00 a.m. (Singapore time) respectively on 20 October 2003.

##### 9. 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 or, where the context requires, a duly constituted committee of the board of Directors
"Bondholder(s)"	holder(s) of the Convertible Bonds
"Business Day"	a day on which the Hong Kong Stock Exchange and SGX-ST are open for dealings
"CDP"	The Central Depository (Pte) Limited, which is the securities clearing and depository house of the SGX-ST
"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 the SGX-ST
"Closing Date"	20 October 2003 or such other date as may be agreed by the Company and the Lead Manager
"Company"	STAR CRUISES LIMITED, an exempted company continued into Bermuda with limited liability and the Shares of which are listed on the Hong Kong Stock Exchange and quoted on CLOB International
"Conversion Shares"	the Shares to be issued upon conversion of the Convertible Bonds
"Convertible Bonds"	US dollar denominated convertible bonds to be issued by the Company pursuant to the Subscription Agreement and including, where the context requires, the Optional Convertible Bonds
"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 a substantial shareholder of the Company which, together with Joondalup Limited, a company wholly-owned by Golden Hope, holds approximately 49.66% of the issued Shares in its capacity 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"	Hong Kong dollar(s), the lawful currency of 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
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"International Investment Securities"	any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other investment securities which are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside Hong Kong
"Irrevocable Undertaking(s)"	the irrevocable undertaking(s) dated 16 October 2003 given by each of Resorts World Limited, Golden Hope, Joondalup Limited, Goldfine 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 Underwriter
"Lead Manager"	J.P. Morgan Securities Ltd.
"Lim Family"	Tan Sri Lim Goh Tong and members of his family
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Managers"	the Lead Manager, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, Labuan Branch
"Offering Circular"	the offering circular issued by the Company on or about 15 October 2003 in connection with the issue of the Convertible Bonds
"Option"	the option granted by the Company to the Lead Manager, which can be exercised, in whole or in part and on one or more occasions, at any time up to and including the 30th day following the Closing Date, to require the Company to issue up to a further US\$30 million (approximately HK\$232 million) aggregate principal amount of Convertible Bonds
"Optional Convertible Bonds"	the additional Convertible Bonds with principal amount up to US\$30 million (approximately HK\$232 million) issued by the Company on the exercise of the Option in full by the Lead Manager
"Prospectus 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
"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"	4 November 2003
"Registers of Members"	the Hong Kong Register and the Bermuda Register
"Regulation S"	Regulation S under the US Securities Act
"Resorts World Limited"	Resorts World Limited, a company incorporated in the Isle of Man and a wholly-owned subsidiary of Resorts World Bhd. Resorts World Bhd is a company incorporated in Malaysia and listed on the Kuala Lumpur Stock Exchange
"Rights Issue"	the issue by way of rights of not less than 346,279,166 Rights Shares in the proportion of 7 Rights Shares for every 100 Shares held or pro rata according to the number of Shares held on the Record Date at the Subscription Price payable in full on acceptance
"Rights Share(s)"	new Share(s) of US\$0.10 each to be allotted and issued under the Rights Issue
"Security"	any mortgage, charge, pledge, lien or other form of encumbrance or security interest
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share Option(s)"	share options granted under the share option schemes of the Company adopted on 16 April 1997 and 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002), respectively, entitling the holders thereof to subscribe for Shares
"Shareholder(s)" / "Share(s)"	holder(s) of Share(s) as recorded on the Registers of Members / ordinary share(s) of US\$0.10 each in the share capital of the Company
"Singapore"	the Republic of Singapore
"Subscription Agreement"	a conditional subscription agreement dated 15 October 2003 entered into between the Company and the Managers in connection with the issue of the Convertible Bonds
"Subscription Price"	HK\$2.25 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 Agreement"	the sub-underwriting agreement dated 16 October 2003 entered into between the Underwriter and Resorts World Limited in relation to the Rights Issue
"Terms and Conditions"	the terms and conditions of the Convertible Bonds to appear on the reverse of each of the definitive certificates evidencing the Convertible Bonds
"Trust Deed"	the trust deed to be entered into between the Company, the Managers and the trustee, J.P. Morgan Corporate Trustee Services Limited
"Underwriter"	the Lead Manager
"Underwriting Agreement"	the underwriting agreement dated 16 October 2003 entered into between the Company and the Underwriter in relation to the Rights Issue
"US"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"US\$" / "US Person(s)"	US dollar(s), the lawful currency of the United States of America / any person(s) or entity(ies) deemed to be a US person for purposes of Regulation S under the US Securities Act
"US Securities Act"	the US Securities Act of 1933, as amended
"%"	per cent.

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

Hong Kong, 17 October 2003

In this announcement, unless stated otherwise herein, certain amounts quoted in US dollars have been translated into Hong Kong dollars at the reference rate of US\$1.00 to HK\$7.743 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate or at all.