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STAR CRUISES LIMITED
(Continued into Bermuda with limited liability)
**CONNECTED TRANSACTIONS AND
ONGOING CONNECTED TRANSACTIONS**

The Board of Directors announces that on 19 January 2004, the Group entered into the following agreements:

1. The Shareholders' Agreement between SC(C), a wholly-owned subsidiary of the Company, and Calidone in relation to the subscription for new Shares in the capital of WCIL, and the management of the business affairs of WCIL. Pursuant to the Shareholders' Agreement, SC(C) has agreed to subscribe for, in cash at par, 500,000 Shares, representing 50% of the enlarged issued share capital of WCIL, for a total subscription price of US\$500,000.
2. The WC Merchant Agreement between SCM and WCIM, the global operator of the WC Programme (save for Malaysia), whereby SCM becomes a WC Merchant of the WC Programme.
3. The WC Addendum 1 between SCM and WC(HK) setting out the terms and conditions pursuant to which SCM will participate in the WC Programme in Hong Kong. WC(HK) is the local operator of the WC Programme in Hong Kong.
4. The WC Addendum 2 between SCM and WC(S) setting out the terms and conditions pursuant to which SCM will participate in the WC Programme in Singapore. WC(S) is the local operator of the WC Programme in Singapore.
5. The JPM Agreement between RWB and SCM in relation to the implementation of joint promotion and marketing programmes for the purpose of promoting their businesses, including reciprocal recognition of each other's customer loyalty card, namely the RWB WC and the SV 88 Card. RWB is a tourist resort operator in Malaysia and it issues RWB WC, which is recognized and accepted as WC under the WC Programme.
6. The JPM Addendum 1 among RWB, SCM, GWCSB and SC(C) setting out the terms and conditions governing the reciprocal recognition of the RWB WC and the SV 88 Cards. GWCSB is the operator of the WC Programme in Malaysia and it is also the manager of RWB WC. SC(C) manages and operates the SV 88 Programme for SCM.

Further details of the principal terms of the above agreements are set out in this announcement below.

As part of the continual international development of the brand name "WorldCard" in relation to customer loyalty programme, the WCIL Group intends to set up a number of Local Operators in various countries or territories for the implementation and administration of the WC Programme. The Group wishes to participate in the WC Merchant Agreement and has entered into the WC Merchant Agreement, the WC Addendum 1 and the WC Addendum 2 and intends to enter into arrangements with the WCIL Group including Subsequent WC Merchant Agreements.

The execution of the Shareholders' Agreement constitutes a connected transaction of the Company pursuant to the Listing Rules. The execution of the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) and the JPM Agreement (incorporating the JPM Addendum 1) constitutes connected transactions, and the transactions contemplated thereunder constitute ongoing connected transactions, of the Company pursuant to the Listing Rules. The execution of the Subsequent WC Merchant Agreements and the subsequent JPM Addenda, if any, will constitute connected transactions, and the transactions contemplated thereunder will constitute ongoing connected transactions of the Company pursuant to the Listing Rules.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.25 of the Listing Rules in respect of the Ongoing Connected Transactions.

1. SHAREHOLDERS' AGREEMENT

1.1 Principal terms and conditions

(a) Parties:

SC(C) and Calidone

(b) Date:

19 January 2004

(c) Subscription for Shares:

Pursuant to the Shareholders' Agreement, SC(C) and Calidone have agreed to apply for, in cash at par, 500,000 Shares and 499,998 Shares respectively in WCIL. The total amount paid by SC(C) for the subscription was US\$500,000 and has been satisfied by SC(C) using its internal resources. The Shares will be issued within 7 days from the date of the Shareholders' Agreement. Following the said allotment and issue of Shares, each of SC(C) and Calidone will hold 50% of the issued share capital of WCIL. WCIL will become a jointly controlled entity of the Company where equity accounting will be used.

(d) Board Representation:

Unless otherwise determined by a unanimous resolution of WCIL in general meeting, the number of directors of WCIL shall not be less than three. SC(C) and Calidone shall each be entitled to nominate, appoint and remove one director and SC(C) and Calidone shall jointly nominate, appoint and remove the third director who shall be a resident of the Isle of Man in compliance with the laws of the Isle of Man, the place where WCIL is incorporated. Each of the directors present at any board meeting of WCIL shall have one vote. The board of WCIL may appoint one of its members as the chairman who shall not be entitled to a second or casting vote.

In the event that either SC(C) or Calidone ceases to have any beneficial interest, directly or indirectly, in at least 20% of the issued share capital of WCIL, such party shall procure its nominated director to resign as director of WCIL.

(e) Contingent obligations in relation to further funding requirements:

Subject to compliance with any applicable laws, rules and regulations and obtaining all relevant approvals from the regulatory authorities:

(i) SC(C) and Calidone shall provide shareholders' loans to WCIL in such amounts as determined by the board of WCIL and in proportion to their respective shareholdings in WCIL. Such loans shall be unsecured, non-interest bearing (unless the parties unanimously resolve otherwise) and repayable at such time as the board of WCIL resolves unanimously, taking into account the funding requirements of WCIL; and

(ii) in the event that WCIL shall borrow from external sources and guarantees are required for such borrowings, SC(C) and Calidone agree to guarantee such loans on a several basis and to the extent of their respective shareholdings in WCIL.

(f) Non-compete undertaking:

Each of SC(C) and Calidone covenants that for so long as it is a party to the Shareholders' Agreement, it shall not and shall procure its subsidiaries not to commence any new business ventures relating to cardholder members' loyalty programmes in competition with that of WCIL.

1.2 Background of WorldCard and business and financial information of the WCIL Group

GB, through its wholly-owned subsidiary, GWCSB, has commenced the WorldCard branded customer loyalty programme in Malaysia since 2000. In 2002, GIPLC, a 62.97% owned subsidiary of GB, started to expand the WC Programme globally.

WorldCard is a customer loyalty programme which provides an easy way for cardholder members to earn and redeem membership points, enjoy special rates, discounts and priority service at over 1,000 travel, leisure and entertainment outlets of the WC Merchants, primarily in Asia. One of the WorldCard programme's marketing objectives is to increase customers' loyalty and encourage customers to repeat purchases by rewarding cardholder members with free gifts, discounts and other special offers. Under the programme, the GB Group provides the WC Merchants with (i) cardholder member database management services, which include the supply of personalised loyalty cards, maintenance of cardholder members' profile, analysis of demographic and spending patterns of cardholder members and (ii) marketing services for the WC Merchants' card programmes.

WCIL is an investment holding company founded by GIPLC on 4 October 2002. WCIL, through its wholly-owned subsidiaries, engages in the business of operating customers' loyalty programmes by building new cardholder member database for the WC Merchants and managing the WorldCard programme on an international basis (other than Malaysia). Wholly-owned subsidiaries have been and will be established by WCIL as Local Operators in various countries and territories to manage the local WorldCard operations including WC Merchants' and cardholder members' recruitment, card issuance, management and marketing affairs. As of the date of the Shareholders' Agreement, WC(HK) and WC(S), which are indirect wholly-owned subsidiaries of WCIL, have been established as the Local Operators in Hong Kong and Singapore respectively.

WCIL is a wholly-owned subsidiary of Calidone with an issued share capital of US\$2 divided into 2 Shares of US\$1 each. The unaudited consolidated accounts of WCIL for the period from 4 October 2002, the date of its incorporation, to 30 September 2003 recorded a loss of approximately US\$250,822 (HK\$1,956,412) for the said period and a net liability of approximately US\$252,807 (HK\$1,971,895) as of 30 September 2003. The net liability is mainly comprised of initial start up costs and expenses. Following the allotment and issue of the Shares pursuant to the Shareholders' Agreement, WCIL will be held by SC(C) and Calidone in equal shares and WCIL will become a jointly controlled entity of the Company.

2. WC MERCHANT AGREEMENT

Principal terms and conditions

(a) Parties:

Parties to the WC Merchant Agreement: SCM as the merchant and WCIM as Operator of the WC Programme in countries and territories other than Malaysia

Parties to the WC Addendum 1: SCM and WC(HK) as the Local Operator in Hong Kong

Parties to the WC Addendum 2: SCM and WC(S) as the Local Operator in Singapore

(b) Date:

19 January 2004

(c) Nature:

Pursuant to the WC Merchant Agreement, SCM has agreed to become a WC Merchant of the WC Programme. SCM has agreed to gradually terminate its SC Cards under the SC Programme and it shall obtain consent from holders of SC Cards either (i) to convert their SC Cards to SCWC under the WC Programme prior to the last effective date of the SC Cards and convert their bonus points accorded thereunder into WC Points; or (ii) to utilize all of the bonus points available under their SC Cards prior to their last effective date. SCM aims to phase out the SC Programme completely within six months following the date of the WC Merchant Agreement.

(d) WC Addenda:

The Operator has incorporated and will from time to time incorporate wholly-owned subsidiaries to operate, administer, manage and carry out the WC Programme on a local level in such countries or territories other than Malaysia where the Operator deems fit at its sole discretion. The WC Merchant Agreement is the master agreement between SCM and WCIM governing SCM's participation in the WorldCard programme on the global level (save for Malaysia). Detailed implementation of the WorldCard programme on the local level will be carried out by SCM and the Local Operators.

As and when Local Operators are established, it is expected that SCM will enter into WC Addenda with such Local Operators setting out the commercial terms upon which SCM will participate in the WC Programme in the relevant countries or territories. A standard form of the WC Addendum, which is attached to the WC Merchant Agreement, contains provisions as to the applicable Application Fees (which is payable by cardholder members to the respective Local Operators), the rate at which the Commission (which is payable by SCM to the respective Local Operators) is calculated, a list of SCM's outlets and the rate at which WC Points will be awarded to WC Holders. All WC Addenda are expected to be executed in the standard form and on similar terms with the principal difference in the payment currency denomination.

(e) Services to be provided by the Operator to SCM:

The Operator shall be responsible for, among other things, managing the WC Programme, issuing cards, preparing performance reports on WC Holders' spending at the outlets of

SCM and other relevant reports, providing proper and adequate training necessary for SCM to fulfill its obligations under the WC Merchant Agreement which principally are awarding WC Points to WC Holders.

(f) Consideration:

The following amounts are payable by SCM to the Operator and which, save for item (i) below, shall be payable on a monthly basis:

(i) if the holders of SC Cards agree to convert their accorded bonus points under their SC Cards into WC Points, SCM shall pay to the Operator in cash the value of such bonus points on the basis of US\$0.0004 per bonus point upon conversion. The aggregate value of the bonus points under the SC Cards which remained redeemable as of 30 November 2003 was approximately US\$9,070 (HK\$70,746) which also represents the approximate amount expected to be payable by SCM to the Operator, assuming all SC Card holders elect to convert their bonus points into WC Points in full before termination of the SC Cards. Such amount will be paid by the Group using its internal resources;

(ii) the WC Value of all WC Points accorded to WC Holders at SCM's outlets. The WC Value for one WC Point in Hong Kong and in Singapore is HK\$0.01 and S\$0.01 respectively.

Payments made under items (i) and (ii) above will be kept in the Pool for the purposes of paying the value of the Rewards (see (i) below) which have been redeemed by WC Holders utilizing their WC Points; and

(iii) the Commission payable by SCM to the Local Operators according to the terms of the respective WC Addenda.

The WC Value and the rate of the Commission are determined by the parties on an arm's length basis. The WC Value is variable subject to mutual agreement between SCM and the Operator from time to time, and provided that any such variation will be on normal commercial terms and on terms that will be no less favourable to SCM than those offered to any independent third party WC Merchants.

The following amounts are payable by the Operator to SCM:

(i) the value of the Rewards redeemed by WC Holders from SCM's outlets by utilizing the amount available in the Pool, payable on a monthly basis. The value of the Rewards offered by SCM for redemption by WC Holders shall be similar to or lower than the normal price offered by SCM to other customers for the same goods and/or services;

(ii) an incentive for membership recruitment at the rate of 25% of the Application Fees collected by SCM on behalf of the Local Operators from SCWC Holders, payable on a monthly basis; and

(iii) a rebate of 10% on the commission collected and received by the Local Operators from other WC Merchants on the total spending of SCWC Holders at the outlets of such WC Merchants, payable on a quarterly basis. Such rebate shall be effective after the total number of SCWC Holders attains 25,000 and shall cease if the total number of SCWC Holders is lower than 25,000 continuously for 3 months.

(g) Term:

The WC Merchant Agreement shall be valid with effect from the date of its execution and shall continue until its termination in accordance with the procedures set out therein. Either party may terminate the WC Merchant Agreement by giving written notice to the other party.

(h) WC Addendum 1 and WC Addendum 2:

As at the date of the WC Merchant Agreement, the Operator has established WC(HK) and WC(S) as Local Operators in Hong Kong and Singapore respectively. The terms and conditions governing the participation of SCM in the WC Programme in Hong Kong and Singapore are stipulated in the WC Addendum 1 and the WC Addendum 2 respectively and they are summarized as follows:

	WC Addendum 1	WC Addendum 2
Application Fees	HK\$60	US\$15 (approximately HK\$67)
WC Points to be awarded to WC Holders	<ul style="list-style-type: none"> for cabin purchase: based on the cabin type per passenger per night as prescribed by SCM for other products: 0.5% of WC Holder's Total Purchases 	<ul style="list-style-type: none"> for cabin purchase: based on the cabin type per passenger per night as prescribed by SCM for other products: 0.5% of WC Holder's Total Purchases
Commission payable by SCM to the Local Operator	<ul style="list-style-type: none"> for cabin purchase: an amount equal to the WC Value of the WC Points awarded for such purchases for other products: 0.5% of Total Purchases 	<ul style="list-style-type: none"> for cabin purchase: an amount equal to the WC Value of the WC Points awarded for such purchases for other products: 0.5% of Total Purchases

The number of WC Points to be awarded to WC Holders and the rate of Commission payable by SCM to the Local Operators may be varied on a yearly basis subject to mutual agreement between SCM and the relevant Local Operator, and provided that any such variation will be on normal commercial terms and on terms that will be no less favourable to SCM than those offered to any independent third party WC Merchants.

Each of the WC Addendum 1 and the WC Addendum 2 shall be valid from the date of the execution of the WC Merchant Agreement to a date to be mutually agreed between SCM and the relevant Local Operator or earlier determination in accordance with the procedures set out in the WC Merchant Agreement. Termination of the WC Merchant Agreement shall automatically terminate the validity of the WC Addenda.

- (i) Aggregate consideration under WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2):

It is expected that:

- (i) the aggregate amount payable by SCM to the Operator and the Local Operators under the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) in each financial year will not exceed the higher of HK\$10 million and 3% of the Group's consolidated net tangible asset value as at the end of the preceding financial year; and
- (ii) the aggregate amount receivable by SCM from the Operator and the Local Operators under the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) in each financial year will not exceed the higher of HK\$10 million and 3% of the Group's consolidated net tangible asset value as at the end of the preceding financial year.

3. SUBSEQUENT WC MERCHANT AGREEMENTS

For the continuous development and growth of the business of the WCIL Group, further Local Operators in addition to WC(HK) and WC(S) are expected to be set up in other countries and territories such as Thailand and the PRC. The Group wishes to participate in the customer loyalty programme operated or managed by the WCIL Group in such countries and territories by entering into arrangements including Subsequent WC Merchant Agreements with the Local Operators, upon such terms and conditions to be mutually agreed upon by the parties thereto at arm's length and on normal commercial terms, which are expected to be similar to those of the WC Addendum 1 and the WC Addendum 2.

In the event that the Group enters into any such Subsequent WC Merchant Agreements, it is expected that:

- (a) the aggregate amount payable by the Group to the WCIL Group (including WC(HK) and WC(S)) under the Subsequent WC Merchant Agreements and the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) in each financial year will not exceed the higher of HK\$10 million and 3% of the Group's consolidated net tangible asset value as at the end of the preceding financial year; and
- (b) the aggregate amount receivable by the Group from the WCIL Group (including WC(HK) and WC(S)) under the Subsequent WC Merchant Agreements and the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) in each financial year will not exceed the higher of HK\$10 million and 3% of the Group's consolidated net tangible asset value as at the end of the preceding financial year.

4. JPM AGREEMENT

Principal terms and conditions

- (a) Parties:

Parties to the JPM Agreement: RWB and SCM

Parties to the JPM Addendum 1: RWB, SCM, SC(C) and GWCSSB

- (b) Date:

19 January 2004

- (c) Nature:

Pursuant to the JPM Agreement, RWB and SCM have agreed to engage in certain joint promotion and marketing programmes to be implemented from time to time for the joint promotion of their respective businesses. The joint promotion and marketing programmes as envisaged by the JPM Agreement include the following:

- (i) *Joint promotion of the parties' products:*

The parties shall sell and market each other's goods and services to their respective customers in accordance with such terms and conditions to be mutually agreed upon from time to time on arm's length basis and on terms which shall be no less favourable than the terms given to any independent third party.

- (ii) *Reciprocal recognition of customer loyalty cards:*

SCM and RWB shall mutually recognize and accept the other party's customer loyalty card namely, the RWB WC and the SV 88 Card, whereby each party shall allow the other party's customer loyalty programme card holders to enjoy the privileges and promotions offered under its own customer loyalty cards. RWB WC Members and SV 88 Members shall be entitled to earn and redeem points at the permitted and designated outlets of SCM and RWB respectively. The terms and conditions governing the reciprocal recognition of the RWB WC and the SV 88 Cards are stipulated in the JPM Addendum 1 and they are summarized in paragraph 4(f) below.

- (iii) *Other joint promotion and marketing activities:*

The parties shall, as and when so desire, carry out such other joint promotion and marketing activities including, but not limited to, joint advertisements, road shows, exhibitions, mutual sponsorship of promotion events and other marketing campaigns at costs to be shared in proportion based on actual utilization of the respective parties and in accordance with such terms and conditions to be mutually agreed upon from time to time.

While the JPM Agreement governs the joint promotion and marketing initiatives of SCM and RWB on a global level, detailed implementation of the joint promotion and marketing programme on the local level will be carried out by SCM (or any wholly-owned subsidiaries of the Company) and RWB (or any of its wholly-owned subsidiaries) and will be governed by JPM Addenda. The parties shall cause their respective wholly-owned subsidiaries, and in the case of SCM, any wholly-owned subsidiaries of the Company, to enter into relevant JPM Addendum for the implementation of joint promotion and marketing programmes.

- (d) Consideration:

Each party shall share the costs and expenses incurred in the joint promotion and marketing programmes referred to in items (c)(i) and (c)(iii) above. Such costs and expenses will be shared by the parties based on their respective actual utilization rates. The basis of determining the actual utilization rates will vary from case to case and include bases such as floor usage ratio, turnover ratio and number of personnel used or provided by each party, as appropriate.

- (e) Term:

The JPM Agreement shall be valid with effect from the JPM Commencement Date and shall continue until its termination in accordance with the procedures set out therein. Either party may terminate the JPM Agreement by giving a written notice to the other party. Termination of the JPM Agreement shall automatically terminate the JPM Addendum 1 and the JPM Addenda, if any.

- (f) Terms of the JPM Addendum 1:

In respect of the reciprocal recognition of the RWB WC and the SV 88 Cards referred to in paragraph 4(c)(ii) above, SCM, SC(C), RWB and GWCSSB have entered into the JPM Addendum 1. While RWB is a tourist resort operator in Malaysia and issues the RWB WC, GWCSSB is the operator of the WC Programme in Malaysia and also the manager of the RWB WC. SC(C) manages and operates the SV 88 Programme for SCM. The major terms and conditions of the JPM Addendum 1 are summarized as follows:

- (i) Whenever RWB WC Members spend at the designated outlets of SCM, SCM shall award SVP Points in favour of the RWB WC Members at such rate as may be determined by SCM from time to time. As at the JPM Commencement Date, the SVP Points to be awarded to RWB WC Members is at the same rate as to SV 88 Members. SCM and SC(C) shall pay RWB and GWCSSB the value of the SVP Points so awarded at such time and in such manner as may be mutually agreed by the parties to the JPM Addendum 1.

- (ii) Whenever SV 88 Members spend at the designated outlets of RWB, RWB shall award Genting Points in favour of the SV 88 Members at such rate as may be determined by RWB from time to time. As at the JPM Commencement Date, the Genting Points to be awarded to SV 88 Members is at the same rate as to RWB WC Members. RWB and GWCSSB shall pay SCM and SC(C) the value of the Genting Points so awarded at such time and in such manner as may be mutually agreed by the parties to the JPM Addendum 1.

- (iii) Whenever RWB WC Members redeem rewards provided by SCM by utilizing the SVP Points accumulated in their accounts, RWB and GWCSSB shall pay SCM and SC(C) the equivalent value of the SVP Points that have been so redeemed by the RWB WC Members in accordance with the terms and conditions to be determined by SCM.

- (iv) Whenever SV 88 Members redeem rewards provided by RWB by utilizing the Genting Points accumulated in their accounts, SCM and SC(C) shall pay RWB and GWCSSB the equivalent value of the Genting Points that have been so redeemed by the SV 88 Members in accordance with the terms and conditions to be determined by RWB.

- (v) RWB and SCM have the sole discretion to determine the value of the Genting Points and the SVP Points respectively. As at the JPM Commencement Date, the value of one Genting Point is fixed at RM1.00 and the value of one SVP Point is fixed at one unit of the ship trading currency. Ship trading currency generally refers to the currency of the territory at which a ship of the Group is home-ported. There are different currency denominations SVP Points, including HK\$, S\$, US\$ and RM. A SVP Point denominated in one currency may be converted into another currency denominated SVP Point based on the applicable exchange rate determined by the Group using the Dynamic Reporting System, such exchange rates are subject to yearly revision. Dynamic Reporting System is a software for, amongst other things, data and transaction reporting, user interface controls and other related functions for the operation of membership programmes.

The JPM Addendum 1 shall be valid with effect from the JPM Commencement Date to a date to be mutually agreed between RWB and SCM or earlier determination in accordance with the procedures set out in the JPM Agreement. RWB and SCM may terminate the JPM Addendum 1 by giving written notice to all the other parties.

- (g) Aggregate consideration under the JPM Agreement (incorporating the JPM Addendum 1) and any further JPM Addenda:

It is expected that:

- (i) the aggregate amount payable by the Group to the GB Group under the JPM Agreement (incorporating the JPM Addendum 1) and any further JPM Addenda, in each financial year will not exceed the higher of HK\$10 million and 3% of the Group's consolidated net tangible asset value as at the end of the preceding financial year; and

- (ii) the aggregate amount receivable by the Group from the GB Group under the JPM Agreement (incorporating the JPM Addendum 1) and any further JPM Addenda, in each financial year will not exceed the higher of HK\$10 million and 3% of the Group's consolidated net tangible asset value as at the end of the preceding financial year.

5. RELATIONSHIPS BETWEEN THE PARTIES

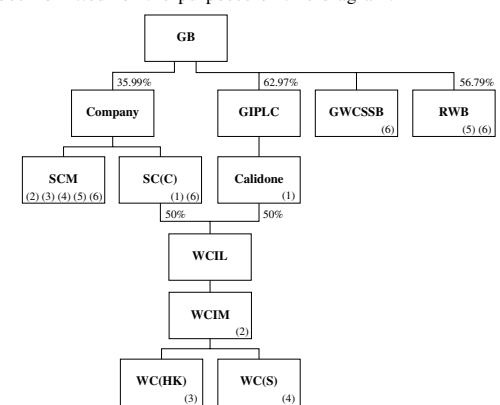
Calidone is a wholly-owned subsidiary of GIPLC which in turn is a 62.97% owned subsidiary of GB, a substantial shareholder of the Company. Accordingly, Calidone is a connected person of the Company for the purposes of the Listing Rules and the execution of the Shareholders' Agreement constitutes a connected transaction of the Company under Rule 14.25 of the Listing Rules. Details of the Shareholders' Agreement will be included in the next published annual report of the Company as required by the Listing Rules.

Subsequent to the allotment and issuance of the Shares pursuant to the Shareholders' Agreement, Calidone will, directly or indirectly, control 50% of WCIL, WCIM, WC(HK) and WC(S). Each of WCIL, WC(HK) and WC(S), being an associate of Calidone, is also regarded as a connected person of the Company for the purposes of the Listing Rules. Accordingly, the execution of, and the transactions contemplated under, the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) constitutes a connected transaction and will constitute ongoing connected transactions of the Company under Rule 14.25 of the Listing Rules. Further, any Local Operators to be established which will

become WCIL Group companies will also be connected persons of the Company under the Listing Rules. If the Group enters into any Subsequent WC Merchant Agreements with such Local Operators, the execution of any Subsequent WC Merchant Agreement will constitute a connected transaction of the Company and the transactions contemplated thereunder will constitute ongoing connected transactions of the Company under Rule 14.25 of the Listing Rules.

RWB is a connected person of the Company for the purpose of the Listing Rules by virtue of its being a subsidiary of GB, a substantial shareholder of the Company. GWCSSB is also a connected person of the Company for the purposes of the Listing Rules by virtue of its being a wholly owned subsidiary of GB. Accordingly, the execution of the JPM Agreement (incorporating the JPM Addendum 1) constitutes a connected transaction of the Company under Rule 14.25 of the Listing Rules and the transactions contemplated thereunder will constitute ongoing connected transactions of the Company under Rule 14.25 of the Listing Rules. The execution of the subsequent JPM Addenda, if any, will constitute a connected transaction of the Company and the transactions contemplated thereunder will constitute ongoing connected transactions of the Company under Rule 14.25 of the Listing Rules.

The following diagram depicts the relationships between the aforementioned parties following the allotment and issue of the Shares pursuant to the Shareholders' Agreement. Unless otherwise stated, subsidiaries are 100% owned. Certain intermediate holding companies have been omitted for the purposes of this diagram.



Notes:

- (1) Parties to the Shareholders' Agreement
 (2) Parties to the WC Merchant Agreement
 (3) Parties to the WC Addendum 1
 (4) Parties to the WC Addendum 2
 (5) Parties to the JPM Agreement
 (6) Parties to the JPM Addendum 1

6. REASONS FOR, AND THE BENEFITS OF, THE TRANSACTIONS

The Group is principally engaged in the business of cruise and cruise related operations.

SCM is an investment holding company and provides management services to the Group. Further, SCM, through its subsidiaries or other members of the Group, is engaged in, among other things, the businesses of operating customer loyalty programmes and sales of goods and services to customers.

SC(C) manages, operates and administers the Group's two membership programmes, namely the SC Programme and the SV 88 Programme. The principal objective of such membership programmes is to increase customers' loyalty and encourage customers to repeat purchases by rewarding them with redemption items, discounts and other special offers.

WCIL is an investment holding company. WCIM operates and manages the WC Programme in countries and territories outside Malaysia. WC(HK) and WC(S) are the Local Operators in Hong Kong and Singapore respectively. The principal source of income of the Local Operators is derived from commissions paid by the WC Merchants.

GWCSSB is the operator and manager of the WC Programme in Malaysia, it also manages the RWB WC.

RWB is engaged in the business of tourist resort operation at Genting Highlands in Malaysia which provides leisure and hospitality services including amusement, gaming, hotel accommodation and entertainment. RWB is a WC Merchant and it issues the RWB WC.

The Shareholders' Agreement, the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) and the JPM Agreement (incorporating the JPM Addendum 1) were concluded upon arm's length negotiations. The terms under such agreements (save for the Shareholders' Agreement) are no less favourable than those offered to the Group by the WCIL Group and/or the relevant members of the GB Group, as the case may be, to any other independent third parties. Subsequent WC Merchant Agreements and JPM Addenda, if any, will be negotiated at arm's length and on normal commercial terms and on terms that will be no less favourable to the Group than those offered by the WCIL Group or RWB (and its subsidiaries), as the case may be, to any other independent third parties.

The Board of Directors (including the independent non-executive directors) considered that the Shareholders' Agreement, the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2) and the JPM Agreement (incorporating the JPM Addendum 1) are on normal commercial terms and are fair and reasonable so far as the shareholders of the Company are concerned. It also considers that it will be in the interests of the Company and its shareholders as a whole to enter into the said agreements for the following reasons:

- (a) Shareholders' Agreement and WC Merchant Agreement (incorporating WC Addendum 1 and WC Addendum 2): Through WCIL, which is engaged in the operation of customers' loyalty programmes, the participation of SC(C) as a shareholder in WCIL will generate new business and revenue stream for the Group. By joining as a WC Merchant, SCM can (i) utilize the membership and the network of WC Merchants to implement targeted marketing/promotion campaigns which may potentially generate incremental revenue for its business, and (ii) outsource the membership card processing and database management of its frequent cruisers membership programme to enable more efficient membership programme management at a reduced cost.

- (b) JPM Agreement (incorporating the JPM Addendum 1): In light of the recent crisis affecting the Asian tourism industry, the need for co-operation has been heightened. By participating in the joint promotion and marketing programmes, the Group will gain new avenue to promote its business and which would bring mutual benefits to the Group and the GB Group.

Similarly, it will be in the interests of the Company to enter into Subsequent WC Merchant Agreements and/or JPM Addenda upon such terms and conditions to be mutually agreed upon by the parties thereto.

7. DISCLOSURE REQUIREMENTS AND APPLICATION FOR WAIVER

The aggregate subscription price of US\$500,000 (HK\$3,900,000) payable by SC(C) under the Shareholders' Agreement represents approximately 0.04% of the consolidated net tangible assets of the Group as at 31 December 2002 as adjusted by the unaudited consolidated results of the Group for the nine months ended 30 September 2003. Brief details of the Shareholders' Agreement will be included in the Company's next published annual report in accordance with the Listing Rules. In the event that further funding or guarantee is required to be provided by the Group to WCIL pursuant to the Shareholders' Agreement, the Company will comply with further applicable requirements, if any, under the Listing Rules.

The Ongoing Connected Transactions contemplated under the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2), the JPM Agreement (incorporating the JPM Addendum 1), the Subsequent WC Merchant Agreements and the JPM Addenda, if any, include certain obligations to be entered into by the Group on an ongoing basis. It would therefore be impractical for, and unduly burdensome to, the Company to make ongoing disclosures regarding the same in strict compliance with the relevant requirements relating to connected transactions under Chapter 14 of the Listing Rules.

Application has been made to the Stock Exchange for a waiver from strict compliance with Rule 14.25 of the Listing Rules regarding the Ongoing Connected Transactions in respect of each and every occasion they arise subject to the following conditions:

(a) the Ongoing Connected Transactions shall be:

- (i) entered into by the Group in the ordinary and usual course of its business;
 - (ii) conducted either on normal commercial terms or on terms that are fair and reasonable so far as the Company's shareholders are concerned; and
 - (iii) entered into either in accordance with the terms of the agreements governing such Ongoing Connected Transactions, which shall be on normal commercial terms or, where there are no such agreements, on terms that are no less favourable to the Group than those available to or from independent third parties;
- (b) the aggregate annual consideration paid and payable by the Group in respect of all of the Ongoing Connected Transactions shall not exceed the higher of HK\$10 million and 3% of the consolidated net tangible asset value of the Group as at the end of the preceding financial year;
- (c) the aggregate annual consideration received and receivable by the Group in respect of all of the Ongoing Connected Transactions shall not exceed the higher of HK\$10 million and 3% of the consolidated net tangible asset value of the Group as at the end of the preceding financial year;
- (d) brief details of the Ongoing Connected Transactions as required by Rule 14.25(1)(A) to (D) of the Listing Rules shall be disclosed in the Company's next and each successive annual reports together with a statement of the opinion of the independent non-executive directors of the Company referred to in (e) below, if such transactions are conducted during the relevant year;
- (e) the independent non-executive directors of the Company shall review annually the Ongoing Connected Transactions and confirm, in the Company's annual report of the relevant financial year, that such transactions have been entered into and conducted in the manner as stated in conditions (a) to (c) above;
- (f) the Company shall engage its auditors to review annually the Ongoing Connected Transactions and provide the Board of Directors with a letter in respect of each financial year during which the Ongoing Connected Transactions are conducted (a copy of the letter shall be provided to the Listing Division of the Stock Exchange), stating whether:
- (i) the Ongoing Connected Transactions have been approved by the Board of Directors;
 - (ii) the Ongoing Connected Transactions have been entered into in accordance with the terms of the relevant agreements governing such transactions;
 - (iii) the aggregate annual consideration paid and payable by the Group in respect of the Ongoing Connected Transactions have not exceeded the higher of HK\$10 million and 3% of the consolidated net tangible asset value of the Group as at the end of the preceding financial year; and
 - (iv) the aggregate annual consideration received and receivable by the Group in respect of the Ongoing Connected Transactions has not exceeded the higher of HK\$10 million and 3% of the consolidated net tangible asset value of the Group as at the end of the preceding financial year; and
- (g) WCIL, GWCSSB and RWB have undertaken to the Company that they will provide the Company's auditors with full access to their relevant records to the extent necessary for the purpose of the auditors' review of the Ongoing Connected Transactions.

In the event that the limit applicable to the Ongoing Connected Transactions is exceeded or if the Group enters into any new agreement with any connected persons (within the meaning of the Listing Rules) in the future, the Company will comply with the provisions of Chapter 14 of the Listing Rules dealing with connected transactions unless it applies for, and obtains, a waiver from the Stock Exchange.

DEFINITIONS

"Application Fees"	fees payable by the applicants of the SCWC to the Local Operator at such rate as may be determined by the Local Operator of the relevant Territory from time to time	"GB Group"	GB, its subsidiaries and associated companies from time to time
"Board of Directors"	the board of directors of the Company	"Genting Points"	the applicable membership points awarded by RWB under the WC Programme in Malaysia
"Calidone"	Calidone Limited, a company incorporated in the Isle of Man and a wholly-owned subsidiary of GIPLC	"GIPLC"	Genting International PLC, a company incorporated in the Isle of Man and listed on the Luxembourg Stock Exchange, which is a 62.97% owned subsidiary of GB
"Commission"	such fees payable by SCM to the relevant Local Operator for participating in the WC Programme and the amounts payable shall be calculated based on the Total Purchases or such other rate that may be mutually agreed between SCM and the relevant Local Operator	"Group"	the Company, its subsidiaries and associated companies from time to time
"Company"	STAR CRUISES LIMITED, an exempted company continued into Bermuda with limited liability and the shares of which are listed on the Stock Exchange and traded on The Central Limit Order Book International of the Singapore Exchange Securities Trading Limited	"GWCSSB"	Genting WorldCard Services Sdn Bhd, a company incorporated in Malaysia and a wholly-owned subsidiary of GB which manages and operates the WC Programme in Malaysia including the RWB WC
"GB"	Genting Berhad, a company incorporated in Malaysia and listed on the Kuala Lumpur Stock Exchange, which is a substantial shareholder of the Company holding approximately 35.99% attributable interests in the Company's issued share capital	"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
		"JPM Addendum 1"	the letter agreement dated 19 January 2004 entered into among RWB, SCM, GWCSSB and SC(C) whereby RWB and SCM agree to have reciprocal recognition of the RWB WC and the SV 88 Cards
		"JPM Addenda"	such other addenda to be entered into from time to time between RWB and SCM (or the respective wholly-owned subsidiaries of RWB, SCM and the Company) governing individual joint promotion and marketing programmes. Each JPM Addendum, when executed, shall form an essential part of the JPM Agreement
		"JPM Agreement"	the joint promotion and marketing agreement dated 19 January 2004 entered into between RWB and SCM in relation to the implementation of joint promotion and marketing programmes including reciprocal recognition of their respective customer loyalty cards, namely the RWB WC and the SV 88 Cards
		"JPM Commencement Date"	19 January 2004, being the commencement date of the JPM Agreement
		"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
		"Local Operators"	wholly-owned subsidiaries of the Operator that have been or may be formed by the Operator in countries and territories other than Malaysia for the purposes of managing, operating and administering the WC Programme
		"Ongoing Connected Transactions"	the transactions contemplated under the WC Merchant Agreement (incorporating the WC Addendum 1 and the WC Addendum 2), the JPM Agreement (incorporating the JPM Addendum 1), the Subsequent WC Merchant Agreements and the JPM Addenda, if any, to be entered into by the Group on an ongoing basis from time to time
		"Operator"	WCIM, being the operator of the WC Programme outside Malaysia under the WC Merchant Agreement. References to the "Operator" shall include any Local Operator who has executed the relevant WC Addendum for the relevant Territory, as the context admits
		"Pool"	the account where the WC Value paid by SCM to the Operator for the WC Points accorded in favour of WC Holders will be kept
		"PRC"	the People's Republic of China and for the purposes of this announcement, excluding Hong Kong
		"Rewards"	such rewards as the Operator may identify and select at its sole discretion to be offered to WC Holders for redemption with their accumulated WC Points
		"RM"	Malaysia Ringgit, the lawful currency of Malaysia
		"RWB"	Resorts World Bhd, a company incorporated in Malaysia and a 56.79% subsidiary of GB
		"RWB WC"	the WC issued by RWB under the WC Programme in Malaysia
		"RWB WC Members"	cardholder members recruited under the WC Programme in Malaysia
		"SS"	Singapore dollar(s), the lawful currency of Singapore
		"SC Cards"	Star Cruisers Cards, the membership cards issued by SC(C) on behalf of SCM under the SC Programme
		"SC(C)"	Star Cruise (C) Limited, a company incorporated in the Isle of Man and a wholly-owned subsidiary of the Company, which has been appointed by SCM to manage, operate and administer the SV 88 Programme
		"SC Programme"	the customer loyalty programme known as "Star Cruisers Frequent Cruisers" operated by SC(C) on behalf of SCM
		"SCM"	Star Cruise Management Limited, a company incorporated in the Isle of Man and a wholly-owned subsidiary of the Company
		"SCWC"	the Star Cruiser WorldCards issued or to be issued by the Local Operator under the WC Programme in the relevant Territory
		"SCWC Holders"	the holders of SCWC
		"Shareholders' Agreement"	the shareholders' agreement dated 19 January 2004 entered into between SC(C) and Calidone in relation to the subscription for new Shares in the capital of WCIL, and the management of the business affairs of WCIL
		"Shares"	ordinary shares of US\$1 par value each in the share capital of WCIL
		"Singapore"	the Republic of Singapore
		"Stock Exchange"	The Stock Exchange of Hong Kong Limited
		"Subsequent WC Merchant Agreements"	further agreements which may be entered into between the Group and WCIL (or any of its wholly-owned subsidiaries) from time to time whereby the Group will participate in the customer loyalty programme operated or managed

"SV 88 Cards"	Star VIP 88 Cards, the membership cards issued by SC(C) on behalf of SCM under the SV 88 Programme	by the WCIL Group in Hong Kong, the PRC, Singapore, Thailand and other countries or territories. Such agreements will be in the form of addenda to the WC Merchant Agreement to be entered into upon terms and conditions to be mutually agreed by the parties thereto at arm's length and on normal commercial terms, which are expected to be similar to those of the WC Addendum 1 and the WC Addendum 2
"SV 88 Members"	cardholder members recruited under the SV 88 Programme	
"SV 88 Programme"	the customer loyalty programme known as "Star VIP 88" operated by SC(C) on behalf of SCM	
"SVP Points"	the applicable membership points awarded by SCM under the SV 88 Programme	
"Territory"	a territory where the Operator has incorporated its Local Operator	
"Total Purchases"	the total value of all purchases made by WC Holders upon presentation of the WC at the designated outlets of SCM for goods and/or services offered by SCM but excluding passenger handling charges, port charges and any other third party re-chargeable costs	
"WC"	any type of WorldCard issued by a WC Merchant (who is permitted so to do) under the WC Programme, which is currently valid	
"WC Addenda"	the WC Addendum 1, the WC Addendum 2 and such other addenda to be entered into between SCM and the Local Operator of the relevant Territory governing the participation of SCM in the WC Programme in countries and territories other than Malaysia. Each WC Addendum, when executed, shall form an essential part of the WC Merchant Agreement	
"WC Addendum 1"	the letter agreement dated 19 January 2004 entered into between SCM and WC(HK) regarding the participation of SCM in the WC Programme in Hong Kong	
"WC Addendum 2"	the letter agreement dated 19 January 2004 entered into between SCM and WC(S) regarding the participation of SCM in the WC Programme in Singapore	
"WC Holders"	the individuals named on the WC (including any supplementary WC)	
"WC Merchant Agreement"	the WorldCard Merchant Agreement dated 19 January 2004 entered into between SCM and WCIM in relation to the participation of SCM as a WC Merchant of the WC Programme	
"WC Merchants"	the merchants who have agreed to participate in the WC Programme and allow WC Holders to gain WC Points whenever WC Holders present their WC when making purchases at the branches or outlets of these WC Merchants, subject to such terms and conditions that may be mutually agreed between the respective WC operators and the relevant WC Merchants	
"WC Operators"	WCIM and GWCSSB	
"WC Points"	the points that will be accorded to the WC Holders' accounts in accordance with the percentage of discount which the WC Merchants agreed to award in favour of the WC Holders for any purchases of goods and/or services provided or offered by such WC Merchants under their respective agreements with the respective WC operators	
"WC Programme"	the customer loyalty programme known as "WorldCard" operated by GWCSSB in Malaysia and by WCIL in countries and territories outside Malaysia	
"WC Value"	the value of every WC Point as determined by the Local Operator of each Territory and specified in the relevant WC Addendum. The WC Value is variable subject to mutual agreement between SCM and the Operator from time to time provided that any such variation will be on normal commercial terms and on terms that will be no less favourable to SCM than those offered to any independent third party WC Merchants	
"WC(HK)"	WorldCard (Hong Kong) Limited, a company incorporated in Hong Kong on 18 September 2002 and an indirect wholly-owned subsidiary of WCIL. WC(HK) is the Local Operator in Hong Kong	
"WCIL"	WorldCard International Limited, a company incorporated in the Isle of Man on 4 October 2002 and a wholly-owned subsidiary of Calidone prior to the allotment and issuance of new Shares pursuant to the Shareholders' Agreement	
"WCIL Group"	WCIL, its subsidiaries and associated companies from time to time	
"WCIM"	WCI Management Limited, a company incorporated in the Isle of Man on 2 October 2002 and a wholly-owned subsidiary of WCIL, which manages, operates and promotes the WC Programme in countries and territories other than Malaysia	
"WC(S)"	WorldCard (Singapore) Pte Ltd., a company incorporated in Singapore on 3 October 2002 and an indirect wholly-owned subsidiary of WCIL. WC(S) is the Local Operator in Singapore	
"US\$"	United States dollars, the lawful currency of the United States of America	
"%"	per cent.	

By order of the Board of
STAR CRUISES LIMITED
Louisa Tam Suet Lin
Company Secretary

Hong Kong, 19 January 2004

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 Singapore dollars at the rate of S\$1.00 to HK\$4.47. Such translations are for the convenience of the readers only. No representation is made that the US dollar and/or Singapore dollar amounts have been, could have been or could be, converted into Hong Kong dollars, or vice versa, at such rate or at any other rates on any relevant dates.