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## STAR CRUISES LIMITED

*(Continued into Bermuda with limited liability)*

**(Stock Code: 678)**

### GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

The Board of Directors of Star Cruises Limited (the "Company") announces that NCL Corporation Ltd. ("NCLC"), a direct wholly-owned subsidiary of the Company, entered into a purchase agreement on 9 July 2004 (US time) (the "Purchase Agreement") to sell US\$250 million (approximately HK\$1.95 billion) senior notes (the "Senior Notes") with respect to a proposed notes offering (the "Proposed Notes Offering").

Completion of the Purchase Agreement is expected to take place on 15 July 2004, subject to the fulfillment of the conditions precedent contained therein.

This announcement is made in compliance with the disclosure requirement under Rule 13.18 of the Listing Rules with respect to a specific performance obligation on the substantial shareholders of the Company to be contained in the indenture constituting the Senior Notes (the "Indenture").

### PROPOSED NOTES OFFERING

#### (1) Principal terms

On 9 July 2004 (US time), the Purchase Agreement was entered into by NCLC to sell the Senior Notes in the principal amount of US\$250 million (approximately HK\$1.95 billion) with respect to the Proposed Notes Offering to qualified institutional buyers under Rule 144A and to persons outside the United States under Regulation S of the US Securities Act of 1933 (as amended).

The Senior Notes will be issued at par value and will mature on 15 July 2014 at 100% of the outstanding principal amount thereof. They will bear interest from the date of issuance at the rate of 10.625% per annum payable semi-annually in arrears. They will be senior unsecured obligations and rank equally with all of the existing and future senior unsecured debt of NCLC. Net proceeds from the issue of the Senior Notes of approximately US\$241.8 million (approximately HK\$1.886 billion) are intended to be used by NCLC to repay a portion of the debt outstanding under the US\$626.9 million Syndicated Term Loan of the NCLC group. No application will be made for the listing of the Senior Notes at any securities exchange but the Senior Notes are expected to be eligible for trading in The PORTAL Market of NASD, Inc.

Completion of the Purchase Agreement is expected to take place on 15 July 2004, subject to the fulfillment of the conditions precedent contained therein.

#### (2) Specific Performance Obligation of the Substantial Shareholders

Upon completion of the Purchase Agreement, the Indenture will be executed and the Senior Notes will be issued thereunder. The Indenture will provide that upon the occurrence of a change of control, holders of the Senior Notes will have the right to require NCLC to repurchase all or a portion of the Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and liquidated damages thereon, if any, to the date of repurchase; provided that NCLC will not be obligated to repurchase the Senior Notes pursuant to a change of control in the event that NCLC has exercised its optional redemption right to redeem all the Senior Notes.

A change of control under the Indenture includes any transaction that results in any person (other than Tan Sri Lim Goh Tong, Golden Hope Limited as trustee of the Golden Hope Unit Trust or Genting Berhad and any affiliate or related person thereof, together the "Permitted Holders") beneficially owning or controlling more than 40% of the voting stock of NCLC if at such time the Permitted Holders beneficially own or control less of the voting stock of NCLC than such person.

#### (3) Impact of the breach of the Substantial Shareholders Obligation

In the event that NCLC fails to make or consummate an offer to purchase the Senior Notes following a change of control under the Indenture, it would constitute an event of default thereunder whereby the trustee may accelerate the maturity of all the Senior Notes. Such acceleration/right of acceleration might trigger cross-default provisions under other loan facilities of the Group, whereupon the respective lenders may by notice demand immediate payment of the outstanding indebtedness thereunder.

### GENERAL

As at the date hereof, the Permitted Holders beneficially own or control about 86.77% of the issued share capital of the Company.

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Tan Sri Lim Kok Thay, Mr. Chong Chee Tut, Mr. William Ng Ko Seng and Mr. David Colin Sinclair Veitch and three independent non-executive directors, namely Mr. Alan Howard Smith J.P., Mr. Tan Boon Seng and Mr. Lim Lay Leng.

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

Hong Kong, 12 July 2004

*In this announcement, the Hong Kong dollar amounts have been translated from US dollars at the rate of US\$1.00 to HK\$7.80. Such translations are for the convenience of the readers only. No representation is made that the US dollars 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.*