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STAR CRUISES LIMITED
(Continued into Bermuda with limited liability)
(Stock Code: 678)

CONTINUING CONNECTED TRANSACTIONS

In the ordinary course of its business, the Group enters into certain continuing connected transactions with the GB Group pursuant to the GB Services Agreement. In January 2003, the Group obtained the Conditional Waiver from strict compliance with the connected transaction requirements under the then Listing Rules. Since the current Listing Rules came into effect on 31 March 2004, the Company's continuing connected transactions with the GB Group pursuant to the GB Services Agreement have been exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.33 of the Listing Rules.

The Directors are pleased to announce that the Company has entered into the Supplemental Agreement with GB dated 23 December 2005 for a period of 25 months commencing from 1 December 2005 in relation to the provision of Support Services by the GB Group to the Group as and when required by the Group from time to time.

GB is a substantial shareholder of the Company and holds approximately 36.31% attributable interest in the issued share capital of the Company as at the date of this announcement, and hence is a connected person of the Company. Accordingly, the transactions contemplated under the GB Services Agreement (as supplemented by the Supplemental Agreement) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47.

BACKGROUND

In the ordinary course of its business, the Group enters into certain continuing connected transactions with the GB Group pursuant to the GB Services Agreement. In January 2003, the Group obtained the Conditional Waiver from strict compliance with the connected transaction requirements under the then Listing Rules.

Since the current Listing Rules came into effect on 31 March 2004, the Company's continuing connected transactions with the GB Group pursuant to the GB Services Agreement have remained within the de minimis threshold of 0.1% and have been exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.33 of the Listing Rules.

It is expected that the value of the Company's continuing connected transactions with the GB Group pursuant to the GB Services Agreement (as supplemented by the Supplemental Agreement) for the financial year ending 31 December 2005 would exceed the de minimis threshold of 0.1% as defined in Rule 14A.33 of the Listing Rules. Pursuant to Rule 14A.35 of the Listing Rules, the Company has entered into the Supplemental Agreement setting the term of the GB Services Agreement.

THE SUPPLEMENTAL AGREEMENT

Date

23 December 2005

Parties

- (1) The Company
- (2) GB

Term

A fixed term of 25 months commencing from 1 December 2005, subject to termination by either party giving not less than 90 days' notice to the other party.

Provision of Support Services

On 14 January 2003, the Company entered into the GB Services Agreement with GB, whereby GB has agreed to provide or cause other members of the GB Group to provide to the Group as and when required by the Group from time to time Support Services, which include the following:

- (a) treasury management services;
- (b) secretarial services;
- (c) share registration services; and
- (d) other support services (such as information technology support services, finance and administrative services, travel services, air ticket purchasing services, other purchasing services, central reservation services, leasing of office space and risk management services).

The Supplemental Agreement is supplemental to the GB Services Agreement. The principal purpose of the Supplemental Agreement is to fix the term of the GB Services Agreement to a period not exceeding three years in compliance with the requirements of Rule 14A.35 of the Listing Rules which came into effect after the date of the GB Services Agreement.

Service Fees

The service fees payable by the Group in respect of the Support Services listed in (a) to (c) above shall be 10% over and above the actual costs and expenses incurred by the GB Group in the provision of such Support Services.

In respect of any Support Services to be provided under (d) above, the service fee payable by the Group shall be subject to such terms and conditions to be mutually agreed between the relevant GB Group Company and the relevant Group Company from time to time, which shall be on normal commercial terms and on terms which a party could obtain if the transactions were on an arm's length basis and on terms no less favourable to the Group than terms available to independent third parties. In determining the fees, the parties will take into account factors such as cost and prevailing market conditions.

The relevant Group Company will settle the fees payable in respect of any Support Services in cash within 30 days upon receipt of an invoice from the relevant GB Group Company.

Annual Cap

The Directors estimate that the maximum aggregate annual value (the "Annual Cap") for the Support Services to be provided by the GB Group to the Group under the term of the GB Services Agreement (as supplemented by the Supplemental Agreement) for each of the financial years ending 31 December 2005, 31 December 2006 and 31 December 2007 will not exceed the amounts set out below:

Financial years ending	Annual Cap
31 December 2005	US\$2,000,000 (approximately HK\$15,600,000)
31 December 2006	US\$4,000,000 (approximately HK\$31,200,000)
31 December 2007	US\$4,000,000 (approximately HK\$31,200,000)

The Annual Cap has been determined by reference to previous levels of Support Services provided by the GB Group to the Group and the Company's estimate of its requirements for the Support Services in the three years' period in question. The aggregate value of the Support Services received pursuant to the GB Services Agreement for the eleven months ended 30 November 2005 was approximately US\$1,200,000 (approximately HK\$9,360,000), which is within the de minimis threshold, and the Company is exempt from reporting, announcement and independent shareholders' approval requirements under Rule 14A.33 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

GB is a substantial shareholder of the Company and holds approximately 36.31% attributable interest in the issued share capital of the Company as at the date of this announcement, and hence a connected person of the Company. The transactions contemplated under the GB Services Agreement (as supplemented by the Supplemental Agreement) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Company's principal activity is investment holding, and its subsidiaries are principally engaged in the business of cruise and cruise-related operations.

The principal business of GB is investment holding and management, whilst the principal activities of its subsidiaries include leisure, hospitality, gaming and entertainment businesses, plantations, the generation and supply of electric power, property development and management, tours and travel related services, investments, manufacturing and trading in paper and paper related products and oil and gas exploration activities. GB has been providing Support Services to the Group prior to the listing of the Company's ordinary shares on the Stock Exchange on 30 November 2000 and has continued to provide such services to the Group thereafter as and when required by the Group.

The terms of the GB Services Agreement and the Supplemental Agreement were entered into after arm's length negotiations and the transactions pursuant thereto will be conducted in the ordinary course of business of the Group and on normal commercial terms. Furthermore, the continuing connected transactions contemplated under the GB Services Agreement (as supplemented by the Supplemental Agreement) will continue to facilitate the operation of the Group's businesses in general. The Directors, including the independent non-executive Directors, consider that the GB Services Agreement (as supplemented by the Supplemental Agreement) is in the interests of the Company and its shareholders as a whole and that the terms of these agreements are fair and reasonable so far as the shareholders of the Company and the Company are concerned.

LISTING RULES

It is expected that the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of the Support Services under the GB Services Agreement (as supplemented by the Supplemental Agreement) will, on an annual basis, be more than 0.1% but less than 2.5%. The provision of Support Services under the GB Services Agreement (as supplemented by the Supplemental Agreement) is therefore subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, but exempted from the approval of the Company's independent shareholders. Details of the GB Services Agreement and the Supplemental Agreement will be disclosed in the Company's next published annual report and accounts in accordance with Rule 14A.46 of the Listing Rules.

BOARD OF DIRECTORS

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.

DEFINITIONS

Capitalised terms used in this announcement shall have the following meanings unless the context requires otherwise:

"CLOB International"	the Central Limit Order Book International of the Singapore Exchange Securities Trading Limited;
"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 CLOB International;
"Conditional Waiver"	the conditional waiver obtained by the Company from the Stock Exchange on 22 January 2003 from strict compliance with the connected transactions requirements under the then Listing Rules;
"Director"	a director of the Company and "Directors" shall be construed accordingly;
"GB"	Genting Berhad, a company incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad, which is a substantial shareholder of the Company, holding approximately 36.31% attributable interest in the Company's issued share capital as at the date of this announcement;
"GB Group"	GB, its subsidiaries and associated companies (but excluding the Group); and "GB Group Company" means any one of them;
"GB Services Agreement"	the agreement dated 14 January 2003 and entered into between GB and the Company, whereby GB has agreed to provide and cause the GB Group to provide Support Services to the Group as and when required by the Group from time to time;
"Group"	the Company, its subsidiaries and associated companies; and "Group Company" means any one of them;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Supplemental Agreement"	the supplemental agreement dated 23 December 2005 and entered into between GB and the Company amending certain terms of the GB Services Agreement;
"Support Services"	the services provided or to be provided, as the case may be, by the GB Group to the Group pursuant to the GB Services Agreement or the GB Services Agreement (as supplemented by the Supplemental Agreement), as the case may be;
"US"	United States dollars, the lawful currency of the United States of America;
"%"	Per cent.

Unless otherwise specified, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 : HK\$7.80. No representation is made that the amounts stated in this announcement have been or could have been converted at the above rate.

By the Order of the Board
Louisa Tam Suet Lin
Company Secretary

Hong Kong, 23 December 2005