



STAR CRUISES LIMITED

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

PLACING OF NEW SHARES AND GRANT OF OPTIONS TO SUBSCRIBE FOR SHARES DISCLOSEABLE AND CONNECTED TRANSACTION JOINT VENTURE ARRANGEMENT WITH GENTING INTERNATIONAL P.L.C. AND DISCLOSEABLE TRANSACTION ACQUISITION OF SHARES IN MACAU LAND INVESTMENT CORPORATION

PLACING OF NEW SHARES AND GRANT OF OPTIONS TO SUBSCRIBE FOR SHARES

On 17 January 2007, the Company entered into the Share Subscription Agreements with the respective Subscribers pursuant to which the Company agreed to allot and issue to the Subscribers an aggregate of 255,000,000 new Shares at the Subscription Price of HK\$2.29 per Share. On the same date, the Company also entered into the Share Option Agreements with the respective Subscribers pursuant to which the Company agreed to grant to the Subscribers non-transferable Options to subscribe for an aggregate of 255,000,000 Shares. The Options will be granted at a premium of HK\$0.28 per Option Share and the aggregate consideration for the Options is HK\$71,400,000. Each Option is exercisable once at the Exercise Price of HK\$3.00 per Share at any time during the period from the date of completion of the Share Option Agreements (being the same date on which the Subscriptions will be completed) to the second anniversary of the date of the Share Option Agreements. The number of Shares issuable upon exercise of the Options in full is 255,000,000.

The Subscription Shares and the Option Shares in aggregate represent approximately 7.52% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.99% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Option Shares.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Subscribers and where applicable, their respective ultimate beneficial owners (i) is an Independent Third Party, and (ii) is independent from the Vendors and their ultimate beneficial owners. The net proceeds of the Subscriptions and the grant of Options will be approximately HK\$653,350,000. The Company intends to use the net proceeds from the Subscriptions and the grant of Options for part funding of the development of the Sentosa Integrated Resort.

JOINT VENTURE ARRANGEMENT WITH GIPLC, ACQUISITION OF SHARES AND THE PROJECT

On 16 January 2007, the Company, SC Asia, GIPLC and Genting Star entered into the Shareholders' Agreement in relation to the management and operation of the JV. The JV is owned as to 75% by SC Asia (a direct wholly-owned subsidiary of the Company) and 25% by Genting Star (a direct wholly-owned subsidiary of GIPLC). The purpose of the JV is to carry out the Acquisition and the Project, each as described below.

On 16 January 2007, the JV entered into the Sale and Purchase Agreements with Mr. José Manuel dos Santos, World Arena and Silverland for the sale by the Vendors and the purchase by the JV, of 75% of the entire issued share capital of MLIC and certain loans owed by TIECL which as at the date of the Sale and Purchase Agreements amounted to MOP59,223,500. The total Consideration for the Acquisition amounts to HK\$1,466,508,410.65 of which a non-refundable Deposit of HK\$153,562,500 has been paid. MLIC indirectly owns 100% of TIECL. TIECL has been granted by the Government of Macau with a lease over the Land (subject to such grant of lease being published in the Gazette of Macau). Subject to having obtained the relevant authorisation or approval from the Government of Macau, TIECL proposes to develop and build on the Land a hotel that will house, *inter alia*, a casino which will be subject to receiving the relevant authorisation from the Government of Macau on application by SJM. Following completion of the Acquisition, World Arena and Silverland will retain 25% of MLIC, and the shareholders of MLIC will enter into a shareholders' agreement in relation to the management and operation of MLIC.

On 18 January 2007, the Company entered into an agreement with SJM under which the Company has agreed to procure TIECL grant to SJM a right to use a certain area in the hotel to be built on the Land for the operation of a casino (subject to receiving the relevant authorisation from the Government of Macau), and SJM has agreed to engage TIECL (upon completion of the Acquisition and the granting of all relevant authorisations from the Government of Macau) to provide certain services in respect of the casino (comprising its marketing, promotion, publicity, customer development and introduction, co-ordination of activities, interior design and fitting out of the casino, security and other human resources services). The provision of services and the respective right of utilisation of the premises will only become effective upon the satisfaction of a number of conditions, namely the completion of the Acquisition, the formalisation of the rights of TIECL over the Land, the approval by the Government of Macau, and the obtaining of the SC Approvals. SJM will pay monthly fees to TIECL for using the casino premises and for the services rendered by TIECL in respect of the casino. Such arrangements are subject to and conditional upon the approval by the Government of Macau.

The JV Partners estimate that the total funding requirement for the Project to be contributed by the JV would be HK\$3,500,000,000 comprising the Consideration and the JV's portion of the development costs for the Project (inclusive of any expenses incurred so far). Such funding will be provided by the Company and GIPLC in proportion to their respective shareholdings in the JV. Based on the above and subject to the satisfaction of the Conditions, the maximum funding commitment of the Company under the Shareholders' Agreement (inclusive of the existing equity in the JV held by SC Asia, the payment of 75% of the Deposit and the shareholders' loans advanced to the JV as at the date of this announcement) will not exceed HK\$2,625,000,000.

The joint venture arrangement with GIPLC and the performance by the Company of its obligations under the Shareholders' Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and as GIPLC and Genting Star are connected persons of the Company, also a connected transaction of the Company under Chapter 14A of the Listing Rules subject to the reporting, announcement and independent shareholder approval requirements set out in Chapter 14A of the Listing Rules.

The Project of developing and constructing a hotel on the Land (inclusive of the Acquisition) will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. If any SC Approval is not obtained and GIPLC buys out the entire interest held by SC Asia in the JV pursuant to an exit provision of the Shareholders' Agreement, the Company would cease to have any interest in the JV and the Project.

A circular containing further details of the JV, the Connected Transaction and the Project, a letter from the independent board committee of the Company and a letter from an independent financial adviser in respect of the Connected Transaction will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares was suspended on the Stock Exchange with effect from 10:00 a.m. (Hong Kong time) and halted on CLOB International with effect from 9:00 a.m. on 12 January 2007, pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. (Hong Kong time) and to CLOB International for lifting of the trading halt in the Shares on CLOB International with effect from 9:30 a.m. (Singapore time) respectively on 23 January 2007.

A. PLACING OF SHARES AND GRANT OF OPTIONS

A1. The Subscriptions

On 17 January 2007, the Company entered into the Share Subscription Agreements with the respective Subscribers pursuant to which the Company agreed to allot and issue to the Subscribers an aggregate of 255,000,000 new Shares at the Subscription Price of HK\$2.29 per Share. The number of Shares to be allotted and issued to, and the consideration to be paid by, each Subscriber are as follows:

Subscriber	Number of Subscription Shares	Amount to be paid
Profit Boom Investment Limited (Note 1)	120,000,000	HK\$274,800,000
Mr. Chua Ma Yu	42,500,000	HK\$97,325,000
Ms. Leong Angela On Kei (Note 2)	40,000,000	HK\$91,600,000
Nin Ever Investment Limited	40,000,000	HK\$91,600,000
Ideal Collection Assets Limited	12,500,000	HK\$28,625,000
Total	255,000,000	HK\$583,950,000

Note 1: Profit Boom Investment Limited is 100% beneficially owned by Dr. Stanley Ho. Dr. Stanley Ho is also the managing director and a major shareholder of the holding company of SJM.

Note 2: Ms. Leong is a shareholder of SJM and a director and a shareholder of the holding company of SJM. The Subscription Price has been determined after arm's length negotiation between the Company and the Subscribers and represents:

- the closing price of HK\$2.29 per Share as quoted on the Stock Exchange on 11 January 2007, being the last trading day of the Shares immediately before the date of the suspension of trading in the Shares;
- a discount of approximately 9.49% to the closing price of HK\$2.53 per Share as quoted on the Stock Exchange on 12 January 2007, being the last trading day of the Shares immediately before the date of the Share Subscription Agreements (Note);
- a premium of approximately 0.17% over the average closing price of HK\$2.286 per Share as quoted on the Stock Exchange for the last five trading days of the Shares up to and including 12 January 2007; and
- a premium of approximately 1.69% over the average closing price of HK\$2.252 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares up to and including 12 January 2007.

Note: Trading in the Shares on the Stock Exchange was suspended with effect from 10:00 a.m. on 12 January 2007.

The Subscription Price, net of costs and expenses, is approximately HK\$2.285 per Share.

Completion of the Subscriptions is conditional upon the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and will take place no later than 6 February 2007. The Subscribers has each undertaken that it will not sell or otherwise dispose of any of its Subscription Shares on or before 1 March 2007.

The Company has entered into certain agreement with SJM which is further described below. Save for Profit Boom Investment Limited being 100% beneficially owned by Dr. Stanley Ho, the managing director and a major shareholder of the holding company of SJM and Ms. Leong Angela On Kei who is a shareholder of SJM, none of the Subscribers holds any interest in the Shares or has a current business relationship with the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, information and belief after having made all reasonable enquiries, each of the Subscribers and where applicable, their respective ultimate beneficial owners (i) is an Independent Third Party; and (ii) is independent from the Vendors and their ultimate beneficial owners.

A2. The grant of Options

On 17 January 2007, the Company entered into the Share Option Agreements with the respective Subscribers pursuant to which the Company agreed to grant to the Subscribers non-transferable Options to subscribe for an aggregate of 255,000,000 Shares. The Options will be granted at a premium of HK\$0.28 per Option Share and the aggregate consideration for the grant of the Options is HK\$71,400,000. Each Option is exercisable once only at the Exercise Price of HK\$3.00 per Share at any time during the period from the date of completion of the Share Option Agreements (being the same date on which the Subscriptions will be completed) which will take place no later than 6 February 2007) to the second anniversary of the date of the Share Option Agreements. The number of Shares issuable upon exercise of the Options in full is 255,000,000.

The number of the Option Shares issuable upon exercise of the Options in full to be granted to each Subscriber, the premium to be paid for the grant of Option by each Subscriber and the amount to be paid to the Company by each Subscriber upon exercise of its Option are as follows:

Subscriber	Number of Option Shares	Premium to be paid upon grant of Option	Consideration to be paid upon exercise of Option
Profit Boom Investment Limited	120,000,000	HK\$33,600,000	HK\$360,000,000
Mr. Chua Ma Yu	42,500,000	HK\$11,900,000	HK\$127,500,000
Ms. Leong Angela On Kei	40,000,000	HK\$11,200,000	HK\$120,000,000
Nin Ever Investment Limited	40,000,000	HK\$11,200,000	HK\$120,000,000
Ideal Collection Assets Limited	12,500,000	HK\$3,500,000	HK\$37,500,000
Total	255,000,000	HK\$71,400,000	HK\$765,000,000

The Exercise Price has been determined after arm's length negotiation between the Company and the Subscribers and represents:

- a premium of approximately 31.00% to the closing price of HK\$2.29 per Share as quoted on the Stock Exchange on 11 January 2007;
- a premium of approximately 18.58% over the closing price of HK\$2.53 per Share as quoted on the Stock Exchange on 12 January 2007;
- a premium of approximately 31.23% over the average closing price of HK\$2.286 per Share as quoted on the Stock Exchange for the last five trading days of the Shares up to and including 12 January 2007; and
- a premium of approximately 33.21% over the average closing price of HK\$2.252 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares up to and including 12 January 2007.

Completion of the grant of the Options is conditional upon the Stock Exchange having granted the listing of, and permission to deal in, the Option Shares and the completion of the Subscriptions. If the date of allotment of the Option Shares falls on or before 1 March 2007 the Subscribers have each undertaken that it will not sell or otherwise dispose of any of the Option Shares on or before 1 March 2007.

As at the date of this announcement, there are no outstanding options, warrants and similar rights to subscribe or purchase equity securities of the Company to which Chapter 15 of the Listing Rules applies.

A3. Ranking of the Subscription Shares and the Option Shares

The Subscription Shares and the Option Shares will be issued free from all liens, charges, security interests, encumbrances and adverse claims and, when fully paid, will rank *pari passu* in all respects with the Shares in issue at the date of allotment and in particular will rank in full for all dividends and other distributions declared, made or paid at any time after the date of allotment.

A4. Effect on Shareholding Structure

The Subscription Shares and the Option Shares in aggregate represent approximately 7.52% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.99% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Option Shares.

The existing shareholding structure of the Company and the shareholding structure of the Company immediately upon completion of the Subscriptions and the exercise of the Options in full are set out below:

Holders of Shares	As at the date of this announcement		Immediately after completion of the Subscriptions		Immediately after completion of the Subscriptions and the exercise of the Options in full	
	Number of Shares in issue capital (%)	Percentage of issued share	Number of Shares in issue capital (%)	Percentage of issued share	Number of Shares in issue capital (%)	Percentage of issued share
Golden Hope	2,511,827,344	37.02	2,511,827,344	35.68	2,511,827,344	34.44
RWL	2,442,959,180	36.01	2,442,959,180	34.70	2,442,959,180	33.49
G0HL	20,096,000	0.30	20,096,000	0.29	20,096,000	0.28
Directors of the members of the Group (Note 1)	947,670,674	13.97	947,670,674	13.46	947,670,674	12.99
Public:						
Holders of shares other than the Subscribers	861,832,937	12.70	861,832,937	12.24	861,832,937	11.82
Subscribers	—	—	255,000,000	3.62	510,000,000	6.99
Total	6,784,386,135	100	7,039,386,135	100	7,294,386,135	100

Note 1: Include Shares held by Goldsline, a company equally owned by Tan Sri Lim Kok Thay and his wife and Shares held by Joondalup, a company wholly-owned by Tan Sri Lim Kok Thay.

Note 2: As at the date of this announcement, there are convertible bonds due 2008 of the Company outstanding which are convertible into 255,000,000 ordinary shares upon exercise. The number of issued Shares and the percentage of the issued Shares "immediately after completion of the Subscriptions" or "immediately after completion of the Subscriptions and the exercise of the Options in full" do not take into account any shares convertible into ordinary shares. To the best knowledge and belief of the Company, it is not aware of any connected persons of the Group who are holders of the convertible bonds due 2008 of the Company.

Note 3: The above figures assume that other than the Subscription Shares and the Option Shares, no further Shares are issued or repurchased by the Company and no Shares are sold or purchased by the holders of Shares listed in the above table, in each case on or after the date of this announcement and up to the date of the exercise of all outstanding Options.

A5. Mandate to issue new Shares

The Subscription Shares and the Option Shares will be allotted and issued under the general mandate to allot and issue Shares granted to the Directors at the last annual general meeting of the Company held on 16 May 2006 which authorises the Directors to allot and issue a maximum of 1,060,060,333 Shares.

The general mandate has not been utilised prior to entering into of the Share Subscription Agreements and the Share Option Agreements. The exercise of the general mandate, and the approval of the Share Subscription Agreements and the Share Option Agreements were approved by the Board on 15 January 2007.

The Company will make an application to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Subscription Shares and the Option Shares.

A6. Fund raising activity of the Company in the 12 months immediately preceding the date of this announcement

As disclosed in the announcements of the Company dated 8 November 2006, 29 November 2006 and 29 December 2006, the Company raised net proceeds of approximately HK\$1,587 million by way of a rights issue of 1,484,084,467 rights Shares at HK\$1.08 per rights Share payable in full on acceptance of the rights Shares or every 25 Shares then held. As at the date of this announcement, approximately HK\$725,400,000 of the proceeds from the rights issue has been applied to fund part payment for the acquisition or construction of vessels. The balance of approximately HK\$861,600,000 has been placed on deposit at the Group's bank accounts reserved for future progress payments for acquisition or construction of vessels. The use of proceeds derived from the rights issue has been in line with the disclosure previously made by the Company in the relevant announcements.

Save as disclosed above, the Company has not issued any new Shares or any other securities in any equity fund raising exercise in the 12 months immediately preceding the date of this announcement.

A7. Reasons for the Subscriptions and grant of Options and use of proceeds

In view of the current favourable market conditions, the Directors consider that the Subscriptions and the grant of Options represent good opportunities to raise further funds for the Company and to broaden the shareholder and capital base of the Company. The Directors consider the terms of the Share Subscription Agreements and the Share Option Agreements to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds to be raised from the Subscriptions and the grant of Options will amount to HK\$653,350,000. The net proceeds to be received by the Company from the Subscriptions and the grant of Options will amount to approximately HK\$653,350,000, after deducting the related expenses of the Subscriptions and the grant of Options. It is the current intention of the Directors to apply the entire amount of net proceeds for part funding of the development of the Sentosa Integrated Resort. To the extent that the net proceeds are not immediately used for such purpose, the net proceeds will be placed on short term deposit.

B. THE JV WITH GIPLC AND THE SHAREHOLDERS' AGREEMENT

B1. Date of the Shareholders' Agreement

16 January 2007

B2. Parties

- The Company
- SC Asia, a direct wholly-owned subsidiary of the Company
- GIPLC
- Genting Star, a direct wholly-owned subsidiary of GIPLC

B3. Funding Commitment

The JV was incorporated in 2004 and was wholly-owned by the Company. In January 2007, SC Asia transferred 25 ordinary shares representing 25% of the entire issued share capital of the JV for a consideration of US\$25 to Genting Star. Following such transfer, the JV is owned as to 75% by the Company and 25% by GIPLC. On 16 January 2007, the Company paid 75% (representing its proportional interest in the JV) of the Deposit to the Vendors for and on behalf of the JV pursuant to the Sale and Purchase Agreements. Save for the subscription money for 75 ordinary shares in the JV of US\$1 per share, the payment of 75% of the Deposit and a shareholder's loan of HK\$60,327,540, the Company has not provided any funding in whatsoever form in relation to the JV as at the date of this announcement.

The JV Partners estimate that the total funding requirement for the Project to be contributed by the JV would be HK\$3,500,000,000 comprising the Consideration and the JV's portion of the development costs for the Project (inclusive of any expenses incurred so far). Such funding will be provided by the JV Shareholders in proportion to their respective shareholdings in the JV. Based on the above and subject to the satisfaction of the Conditions, the maximum funding commitment of the Company to the JV under the Shareholders' Agreement (inclusive of the existing equity in the JV held by SC Asia, the payment of 75% of the Deposit and shareholders' loans advanced to the JV as at the date of this announcement) will not exceed HK\$2,625,000,000.

The JV Shareholders have provided and may provide the following funding to the JV by way of subscription for new shares or provision of shareholder's loans or Security, in each case in proportion to their respective shareholdings in the JV:

	Funding by SC Asia (75% and date of funding (Column 1))	Funding by Genting Star (25% and date of funding (Column 2))	Total funding (Column 1 plus Column 2)
Existing amount of equity held as at the date of this announcement	HK\$585 on 9 January 2007	HK\$195 on 16 January 2007	HK\$780
for payment of the Deposit by way of shareholder's loans advanced to the JV	HK\$115,171,875 on 16 January 2007	HK\$38,390,625 on 16 January 2007	HK\$153,562,500
mainly for payment of costs and expenses in connection with the Acquisition by way of shareholder's loans advanced to the JV	HK\$60,327,540 on 16 January 2007	HK\$20,109,180 on 16 January 2007	HK\$80,436,720
Balance (inclusive of the Consideration (less the Deposit))	HK\$2,449,500,000 to be determined	HK\$816,500,000 to be determined	HK\$3,266,000,000
Total funding commitment	HK\$2,625,000,000	HK\$875,000,000	HK\$3,500,000,000

The timing and method of the contribution (i.e. equity, shareholder's loan or Security) for the balance of up to HK\$3,266,000,000 are to be mutually agreed upon by the JV Partners, provided always that the amount of funding support to the JV shall be funded by the JV Shareholders in proportion to their respective shareholdings in the JV.

For fulfilling the Company's maximum funding commitment of HK\$2,625,000,000 to the JV, the Company intends to utilise internal resources, available unutilised credit facilities and/or additional equity to be raised by the Company, details of which have not yet been determined.

B4. Conditions

Any further capital contributions or funding obligations of the Company and SC Asia under the Shareholders' Agreement are subject to the obtaining of the SC Approvals. Similarly, any further capital contributions or funding obligations of GIPLC and Genting Star under the Shareholders' Agreement are subject to the obtaining of the GIPLC Approvals.

If any of the SC Approvals is not obtained by 19 March 2007 the Company's and SC Asia's obligations under the Shareholders' Agreement will cease and, subject to the GIPLC Approvals having been obtained, GIPLC and Genting Star (i) will, or will procure a third party to, purchase (a) SC Asia's entire shareholding in the JV at investment cost per share; and (b) all shareholder's loans, if any, advanced by SC Asia to the JV on a dollar-for-dollar basis; and (ii) will use their respective best endeavours to procure the irrevocable release and discharge of the Company and SC Asia from all Securities, if any, granted by the Company and/or SC Asia to any institutions in favour of any facilities made available to the JV or in respect of any obligations of the JV.

The Shareholders' Agreement provides a reciprocal exit provision for GIPLC on the same terms as described above in the event that any of the GIPLC Approvals is not obtained by 19 March 2007 and subject to the SC Approvals having been obtained. In the event that the GIPLC Approvals are not obtained, it is the Company's present intention to buy out the entire interest held by Genting Star in the JV at that point in time whereupon the Shareholders' Agreement will terminate. In which case, the Company will then proceed to completion of the Acquisition and the JV will become a wholly-owned subsidiary of the Company. The estimated total funding requirement for the Project (inclusive of the Consideration) to be contributed by the Company through the JV as a wholly-owned subsidiary would be HK\$3,500,000,000. To meet such funding requirement, the Company intends to utilise internal resources, available unutilised credit facilities and/or additional equity to be raised by the Company, details of which have not yet been determined.

In the event that any of the SC Approvals and any of the GIPLC Approvals are not obtained by 19 March 2007, the Shareholders' Agreement will terminate automatically. Should the JV choose not to complete the Acquisition, including by reason of not having obtained any of the SC Approvals or the GIPLC Approvals, the Deposit will be forfeited and the Sale and Purchase Agreements will terminate without further liabilities to the Company. The Company, through the JV, has also incurred certain costs and expenses of approximately HK\$60,000,000 in connection with the Acquisition.

The Company will make a further announcement if and when (i) any SC Approval or any GIPLC Approval is not obtained by 19 March 2007, (ii) the JV chooses not to complete the Acquisition, or (iii) the Sale and Purchase Agreements are terminated.

C. THE JV - NEW ORISOL

C1. Certain Corporate Information as at the date of this announcement

- Date of incorporation: 22 July 2004
- Issued share capital: 100 divided into 100 ordinary shares of par value US\$1 each of which 75 ordinary shares are held by SC Asia and 25 ordinary shares are held by Genting Star
- Composition of the board: a total of four directors, of which three are appointed by SC Asia and one is appointed by Genting Star, or such number of directors as agreed by the JV Shareholders in proportion to their respective shareholdings in New Orisol

C2. Principal Activity

New Orisol is a special purpose vehicle principally engaged in investment holding. Upon completion of the Acquisition (further details of which are set out below), New Orisol will own 75% of the issued share capital in MLIC which indirectly owns 100% of the issued share capital in TIECL. The principal asset of TIECL is its holding of a lease over the Land (subject to such grant of lease being published in the Gazette of Macau). Subject to having obtained the relevant authorisation or approval from the Government of Macau, TIECL proposes to develop and build on the Land a hotel that will, *inter alia*, house a casino.

On 18 January 2007, the Company entered into an agreement with SJM under which the Company has agreed to procure TIECL grant to SJM a right to use certain area in the hotel to be built on the Land for the operation of a casino (subject to receiving the relevant authorisation from the Government of Macau), and SJM has agreed to engage TIECL (upon completion of the Acquisition and the granting of all relevant authorisations from the Government of Macau) to provide certain services in respect of the casino (comprising its marketing, promotion, publicity, customer development and introduction, co-ordination of activities, interior design and fitting out of the casino, security and other human resources services). The provision of services and the respective right of utilisation of the premises will only become effective upon the satisfaction of a number of conditions, namely the completion of the Acquisition, the formalisation of the rights of TIECL over the Land, the approval by the Government of Macau of the installation of the casino on the premises and the agreement between SJM and the Company, and the obtaining of the SC Approvals. SJM will pay monthly fees to TIECL for using the casino premises and for the services rendered by TIECL in respect of the casino. Such arrangements are subject to and conditional upon the approval by the Government of Macau.

The Group has the expertise to provide the above-mentioned services.

The operation of TIECL will take place outside Hong Kong and will not be subject to the Gaming Ordinance (Chapter 148 of the Laws of Hong Kong). The Company will use its reasonable endeavours to ensure that throughout the holding of its investment in TIECL, the operation of TIECL will comply with the applicable laws in the relevant jurisdiction. Shareholders are reminded that, in accordance with the guidelines on gambling business issued by the Stock Exchange, should the operation of TIECL fail to comply with the applicable laws in the relevant jurisdiction, the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules. Depending on the circumstances of the case, the Stock Exchange may direct the Company to take remedial action and/or suspend dealings in, or cancel the listing of, the Shares under Rule 6.01 of the Listing Rules. The Company will use its best endeavours to ensure active trading in, and maintain the listing status of, the Shares.

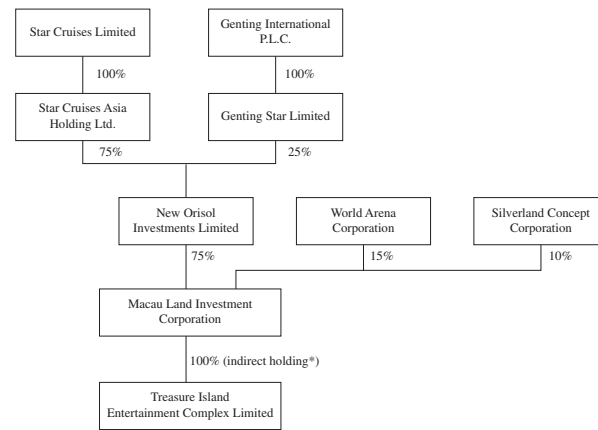
The Company has obtained a legal opinion from its legal advisers as to Macau law that, subject to the approval/authorisation of the Government of Macau, the arrangements with SJM as described above are lawful under, and do not contravene with, the laws and regulations of Macau. Furthermore, under the current gaming regime of Macau, neither the Company nor TIECL requires a licence to perform its obligations under the agreement with SJM. Nonetheless, under the rules of the Administrative Proceeding Code of Macau, the Government of Macau may, at its own discretion, impose on SJM and the Company/TIECL conditions and/or request additional information from such parties, in order to grant such approval/authorisation.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, SJM is not a connected person of the Company.

C3. Financial Information

New Orisol has not commenced any operations since the date of incorporation. As at 31 December 2006, the unaudited net liabilities were approximately US\$1,200 and the unaudited accumulated losses of New Orisol were approximately US\$1,200 in relation to the payment of annual services fees.

The following chart sets out the simplified shareholding structure of MLIC, its holding companies and its subsidiaries immediately following completion of the Acquisition.



* MLIC holds its interest in TIECL through two intermediate holding companies.

D8. Financial Information on MLIC and TIECL

MLIC has commenced its business of investment holding since November 2006. MLIC has not prepared consolidated accounts of itself and its subsidiaries. As at 31 December 2006, the unaudited net asset value of MLIC amounted to MOP801. MLIC did not record any profit or incur any loss up to 31 December 2006. The intermediate holding companies of TIECL do not have any operation other than holding TIECL and did not record any profit or incur any loss up to 31 December 2006. As at 31 December 2006, the unaudited net asset value of each of these intermediate holding companies amounted to MOP8.

TIECL has not commenced operation since the date of its incorporation (other than land reclamation and site formation in relation to the Land). As at 31 December 2006, the unaudited net liabilities value of TIECL amounted to MOP931,270. For the year ended 31 December 2005, TIECL incurred unaudited losses before and after tax of MOP15,863. For the year ended 31 December 2006, TIECL incurred unaudited losses before tax of MOP237,213 and unaudited losses after tax of MOP237,693. Such losses represented the administrative expenses which primarily were legal and professional fees.

E. REASONS FOR THE JOINT VENTURE AND THE ACQUISITION

One of the main business areas of the Group is the development, investment and operation of hospitality facilities in Asia.

The purpose of the JV is to carry out the Acquisition and, following the completion of which, continue the Project in developing and constructing a hotel on the Land. Following completion of the Acquisition, the JV will own 75% of the issued share capital of MLIC, which in turn indirectly owns 100% of TIECL. TIECL has been granted by the Government of Macau with a lease over the Land (subject to such grant of lease being published in the Gazette of Macau). Subject to having obtained the relevant authorisation or approval from the Government of Macau, TIECL proposes to develop and build on the Land a hotel that will house, *inter alia*, a casino which will be subject to receiving the relevant authorisation from the Government of Macau applied for by SJM.

The Company has entered into an agreement with SJM under which the Company has agreed to procure TIECL grant to SJM a right to use certain area in the hotel to be built on the Land for the operation of a casino (subject to receiving the relevant authorisation from the Government of Macau), and SJM has agreed to engage TIECL (upon completion of the Acquisition and the granting of all relevant authorisations from the Government of Macau) to provide certain services in respect of the casino. SJM will pay monthly fees to TIECL for using the casino premises and for the services rendered by TIECL in respect of the casino. Such arrangements are subject to and conditional upon approval by the Government of Macau and upon the satisfaction of a number of conditions, namely the completion of the Acquisition, the formalisation of the rights of TIECL over the Land, the approval by the Government of Macau of the installation of the casino on the premises and the agreement between SJM and the Company and the obtaining of the SC Approvals. The Directors believe that its engagement in the Project will complement the Group's existing business and is a continuation of the Group's principal activity in Asia.

Having taken into account the estimated total development costs for the Project which is currently intended to be funded by loans from banks or other financial institutions to be made available to MLIC and by loans from the shareholders of MLIC, further details of which have not yet been determined, the JV Partners estimate that the total funding requirement for the development of the hotel to be contributed by the JV would be HK\$3,500,000,000 comprising the Consideration and the JV's portion of the development costs for the Project (inclusive of any expenses incurred so far). Pursuant to the Shareholders' Agreement, the Company has committed to provide funding of up to HK\$2,625,000,000 to the JV to finance the Project. Together with GIPLC's maximum funding amount of HK\$875,000,000, the JV will have a total funding HK\$3,500,000,000. Out of such amount, the JV has paid the Deposit and certain costs and expenses in connection with the Acquisition of approximately HK\$80,000,000 (which has been advanced to the JV by the Company and GIPLC in proportion to their respective shareholdings in the JV) and will use the remaining sum to pay the balance of the Consideration and finance the development costs of the Project generally. Detailed timing as to the funding contributions to the JV are to be decided by the JV Partners.

Following completion of the Acquisition, each of MLIC and TIECL will become a subsidiary of the Company and the results of MLIC and TIECL will be consolidated into the Group's financial statements.

The Directors are of the view that the Shareholders' Agreement and the Sale and Purchase Agreements are on normal commercial terms and consider that the terms of the Shareholders' Agreement and the Sale and Purchase Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

F. INFORMATION ON THE GROUP

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. As disclosed in the announcement of the Company dated 18 December 2006 and the related circular to Shareholders dated 9 January 2007, the Company has begun to venture into the business of the development and operation of an integrated resort at Sentosa, Singapore through its holding of a 25% interest in Resorts World at Sentosa Pie Ltd. The Sentosa Integrated Resort is expected to offer a comprehensive range of recreational and entertainment facilities, including theme family leisure attractions such as the Universal Studios Singapore, the Quest Marine Life Park, the Equarius Water Park and the Maritime Xperiential Museum planned under the Proposal, venues for international shows and concerts, as well as other state-of-the-art world class facilities and amenities including six hotels offering approximately 1,830 hotel rooms, food and beverage, fine dining and retail outlets, casino, meetings and incentive facilities.

SC Asia is an investment holding company and its subsidiaries are principally engaged in the business of cruise and cruise related operations in the Asia-Pacific region.

G. INFORMATION ON GIPLC AND GENTING STAR

The principal activity of GIPLC is investment holding. The principal activities of GIPLC's subsidiaries include the development and operation of integrated resorts, operation of casinos, investments, provision of IT application related services and provision of sales and marketing services to leisure and hospitality related businesses. Genting Star is an investment holding company.

H. INFORMATION ON THE OTHER PARTIES

The principal activity of each of World Arena and Silverland is investment holding.

The principal activity of MLIC is investment holding. As at the date of this announcement, other than the indirect holding in TIECL, MLIC does not have any material assets.

The principal activities of TIECL include the development and operation of hospitality facilities and casinos (subject to receiving the relevant authorisation from the Government of Macau). As at the date of this announcement, other than the interest in the lease over the Land, TIECL does not have any material assets.

SJM is one of the three main concessionaries to engage in casino gaming operations in Macau from 1 April 2002 to 31 March 2020.

I. GENERAL

The Company's investment in the JV and the performance by the Company of its obligations under the Shareholders' Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and as GIPLC and Genting Star are connected persons of the Company, also a connected transaction of the Company under Chapter 14A of the Listing Rules subject to the reporting, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

The Project of developing and constructing the hotel on the Land (inclusive of the Acquisition) will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. If any SC Approval is not obtained and GIPLC buys out the entire interest held by SC Asia in the JV pursuant to an exit provision of the Shareholders' Agreement, the Company would cease to have any interest in the JV and the Acquisition.

A circular containing further details of the JV, the Connected Transaction and the Project, a letter from the independent board committee of the Company and a letter from an independent financial adviser in respect of the joint venture with GIPLC will be despatched to the Shareholders as soon as practicable. A special general meeting of the Company will be held for the purpose of considering and, if deemed appropriate, approving the Connected Transaction. GIPLC, the Vendors, SJM, their respective ultimate beneficial owners and the associates of all of the foregoing parties are required under the Listing Rules to abstain from voting in respect of the Connected Transaction. The vote taken at the special general meeting to seek approval of the Connected Transaction will be taken by poll. If the size of the Project increases and the Company is required to provide further funding to the JV in excess of its maximum funding commitment under the Shareholders' Agreement, the Company will comply with the applicable requirements under the Listing Rules, where necessary.

J. SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:00 a.m. (Hong Kong time) and halted on CLOB International with effect from 9:00 a.m. (Singapore time) respectively on 12 January 2007 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. (Hong Kong time) and to CLOB International for lifting of the trading halt in the Shares on CLOB International with effect from 9:30 a.m. (Singapore time) respectively on 23 January 2007.

DEFINITIONS

"Acquisition"	the acquisition of 75% interest in MLIC and the assumption of the Vendors' Loans by the JV pursuant to the Sale and Purchase Agreements
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"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 Main Board of the Stock Exchange and traded on CLOB International
"Conditions"	the obtaining of the SC Approvals and the obtaining of the GIPLC Approvals
"connected person"	has the meaning ascribed to it under the Listing Rules
"Connected Transaction"	the joint venture arrangement with GIPLC and the performance by the Company of its obligations under the Shareholders' Agreement constitute a discloseable and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules
"Consideration"	the aggregate consideration for the Acquisition in the amount equal to HK\$1,466,508,410.65 payable by New Orisol to the Vendors pursuant to the Sale and Purchase Agreements
"Deposit"	the non refundable deposit in the aggregate amount of HK\$153,562,500 paid by New Orisol to the Vendors upon signing of the Sale and Purchase Agreements
"Directors"	the directors of the Company
"Exercise Price"	the exercise price of HK\$3.00 per Option Share
"Genting Star"	Genting Star Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of GIPLC
"GIPLC"	Genting International P.L.C., a company incorporated in the Isle of Man and listed on the Main Board of the Singapore Exchange Securities Trading Limited and the Euro MTF Market of the Luxembourg Stock Exchange and a subsidiary of Genting Berhad (a substantial shareholder of the Company)
"GIPLC Approvals"	the approvals of the relevant regulators required by GIPLC in respect of the joint venture arrangement with the Company (if required)
"GOHL"	Genting Overseas Holdings Limited, a company incorporated in the Isle of Man with limited liability and a wholly-owned subsidiary of Genting Berhad
"Golden Hope"	Golden Hope Limited, a company incorporated in the Isle of Man with limited liability and the trustee of Golden Hope Unit Trust
"Goldsfine"	Goldsfine Investments Ltd., a company incorporated in the British Virgin Islands with limited liability and equally owned by Tan Sri Lim Kok Thay, the Chairman, President and Chief Executive Officer of the Company, and his spouse
"Group"	the Company and its subsidiaries
"HK\$" or "Hong Kong"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Shareholders"	the Shareholders who do not have a material interest in the Connected Transaction, the Acquisition or the arrangements with SJM
"Independent Third Party"	an independent third party which is not connected with the Group or the directors, chief executives and substantial shareholders of any member of the Group or any of their respective associates
"Joondalup"	Joondalup Limited, a company incorporated in the Isle of Man with limited liability and wholly-owned by Tan Sri Lim Kok Thay, the Chairman, President and Chief Executive Officer of the Company
"JV" or "New Orisol"	New Orisol Investments Limited, a company incorporated with limited liability under the laws of the British Virgin Islands, and owned as to 75% by the Company and 25% by GIPLC
"JV Partners"	the Company and GIPLC
"JV Shareholders"	SC Asia and Genting Star
"Land"	the piece of land located at "Terreno a aterrar junto à Praca de Ferreira do Amaral" in Macau with a measurement of approximately 8,100 square meters which is generally known as "1. Lago Nam Van, Macau"
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange for the time being in force
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"MLIC"	Macau Land Investment Corporation, a company incorporated with limited liability under the laws of the British Virgin Islands which indirectly owns the entire issued share capital of TIECL
"MOP"	Macau pataca, the lawful currency of Macau
"Option Price"	the grant price of HK\$0.28 per Option Share
"Option Shares"	an aggregate of 255,000,000 Shares to be subscribed by the Subscribers upon exercise of the Options in full
"Options"	the non-transferable options to be granted under the Share Option Agreements which entitle the Subscribers the right to subscribe for the Option Shares
"Parties"	the JV Partners and the JV Shareholders
"Project"	the purchase of the Land through the Acquisition and the JV's proposal to develop and build a hotel that will house, <i>inter alia</i> , a casino on the Land (subject to receiving the relevant authorisation from the Government of Macau)
"RWL"	Resorts World Limited, a company incorporated in the Isle of Man with limited liability, and an indirect wholly-owned subsidiary of Resorts World Bhd
"Sale and Purchase Agreements"	the Santos SPA and the World Arena Silverland SPA
"Santos Loans"	the loans made by Mr. José Manuel dos Santos to TIECL, which loans were in the amount of MOP29,611,260 as of the date of the Santos SPA and such other loans which may be made by Mr. José Manuel dos Santos to TIECL prior to completion of the Acquisition
"Santos SPA"	the sale and purchase agreement in relation to 50% of the issued share capital of MLIC and the Santos Loans entered into by and between New Orisol and Mr. José Manuel dos Santos dated 16 January 2007
"SC Approvals"	the approvals of the Independent Shareholders and (if applicable) of the relevant regulators in respect of the joint venture arrangement with GIPLC
"SC Asia"	Star Cruises Asia Holding Ltd., an exempted company incorporated in Bermuda with limited liability, a direct wholly-owned subsidiary of the Company
"Security"	a guarantee, an indemnity or other form of security or financial assistance to be granted in favour of any third party(ies) for the purpose of enabling debt financing to be made available to New Orisol
"Sentosa Integrated Resort"	the integrated resort to be developed at Sentosa Island, Singapore and to be known as "Resorts World at Sentosa"
"Share Option Agreements"	the share option agreements between the Company and the respective Subscribers, all of which are dated 17 January 2007
"Share Subscription Agreements"	the share subscription agreements between the Company and the respective Subscribers, all of which are dated 17 January 2007
"Shareholders"	holders of the Shares as recorded on the principal register of shareholders of the Company in Bermuda and the branch register of shareholders of the Company in Hong Kong
"Shareholders' Agreement"	the shareholders' agreement in relation to New Orisol entered into by and between the Parties on 16 January 2007
"Shares"	ordinary shares of US\$0.10 each in the share capital of the Company
"Silverland"	Silverland Concept Corporation, a company incorporated with limited liability under the laws of the British Virgin Islands
"SJM"	Sociedade de Jogos de Macau, S.A., a company incorporated under the laws of Macau
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	Profit Boom Investment Ltd, Mr. Chua Ma Yu, Ms. Leong Angela On Kei, Win Ever Investment Ltd and Ideal Collection Assets Limited
"Subscription Price"	HK\$2.29 per Subscription Share
"Subscription Shares"	an aggregate of 255,000,000 Shares to be subscribed by the Subscribers pursuant to the Share Subscription Agreements
"Subscriptions"	the subscriptions for the Subscription Shares pursuant to the Share Subscription Agreements
"TIECL"	Treasure Island Entertainment Complex Limited, a company incorporated with limited liability in Macau which holds certain rights over the use of the Land (subject to such grant of rights being published in the Gazette of Macau)
"US\$" or "USD"	US dollar(s), the lawful currency of the United States of America
"Vendors"	Mr. José Manuel dos Santos, Silverland and World Arena
"Vendors' Loans"	the Santos Loans and the YK Loans
"World Arena"	World Arena Corporation, a company incorporated with limited liability under the laws of the British Virgin Islands
"World Arena Silverland SPA"	the sale and purchase agreement in relation to 25% of the issued share capital of MLIC and the YK Loans entered into by and between New Orisol, World Arena and Silverland dated 16 January 2007
"YK"	Mr. Kwan Yan Chi
"YK Loans"	the loans made by YK to TIECL which loans were in the amount of MOP29,612,240 as of the date of the World Arena Silverland SPA and such other loans which may be made by YK to TIECL prior to completion of the Acquisition

Hong Kong, 22 January 2007

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 Tat, Mr. William Ng Ko Seng, Mr. David Colin Sinclair Veitch and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Tan Boon Seng and Mr. Lim Lay Leng.

By order of the board of directors of
STAR CRUISES LIMITED
 Tan Sri Lim Kok Thay
 Chairman, President and Chief Executive Officer