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STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

(Stock Code: 678)

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 25% INTEREST IN NEW ORISOL INVESTMENTS LIMITED AND RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 22 January 2007 (the “**Macau Announcement**”) in connection with, amongst other things, the joint venture arrangement in relation to New Orisol Investments Limited (“**New Orisol**”) for carrying out the acquisition of a piece of land and the development of a hotel which will house a casino and certain entertainment complex in Macau, subject to the approval of the Government of Macau. Reference is also made to the announcements of the Company dated 13 February 2007 and 28 February 2007 in relation to the delay in the despatch of the circular in relation to the relevant transactions disclosed in the Macau Announcement (the “**Circular**”) and the waiver (the “**Waiver**”) applied for by the Company from strict compliance with the requirements under Rule 14.38 and Rule 14A.49 of the Listing Rules. The Stock Exchange granted the Waiver on 5 March 2007. Terms defined in the Macau Announcement have the same meaning in this announcement unless otherwise defined herein.

On 14 February 2007, the Company received a letter from GIPLC notifying the Company of GIPLC’s intention to withdraw from its investment in New Orisol held indirectly through GIPLC’s wholly-owned subsidiary, Genting Star Limited (“**Genting Star**”). On 21 February 2007, the Company received a further letter from GIPLC and was informed that clarifications have been sought by regulatory authorities in Singapore regarding GIPLC’s investment in New Orisol and the other arrangements entered into by the Company in Macau. GIPLC was of the view that it would not be in a position to obtain the GIPLC Approval by 19 March 2007. Pursuant to the Shareholders’ Agreement, in the event that the GIPLC Approval is not obtained by 19 March 2007, GIPLC’s obligations under the Shareholders’ Agreement shall cease, and the Company and Star Cruises Asia

Holding Ltd. (“**SC Asia**”), a wholly-owned subsidiary of the Company, will be obliged to buy out, or procure a third party to buy-out, GIPLC’s indirect interest in New Orisol at investment cost. Such exit provision in the Shareholders’ Agreement in relation to New Orisol has been disclosed in details in the Macau Announcement. SC Asia and Genting Star entered into a sale and purchase agreement on 2 March 2007 (the “**New Orisol SPA**”) whereby SC Asia agreed to purchase Genting Star’s 25% interest in New Orisol (the “**New Orisol Acquisition**”) at investment cost of HK\$58,500,000.

Upon completion of the New Orisol Acquisition, the Shareholders’ Agreement in relation to New Orisol terminated and New Orisol has become a wholly-owned subsidiary of the Company. The Company will, through New Orisol, proceed to complete the Acquisition in relation to the Land.

The New Orisol Acquisition constitutes a connected transaction of the Company. As the percentage ratio of this connected transaction is more than 0.1% but less than 2.5%, such connected transaction is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The estimated total funding requirement for the Project (inclusive of the Consideration) to be contributed by the Company through New Orisol as a wholly-owned subsidiary is approximately 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.

The Project of developing and constructing the hotel on the Land (inclusive of the Acquisition) will continue to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing further details of the Project will be despatched to the Shareholders on or before 31 March 2007.

At the request of the Company, trading in the Shares was suspended on the Stock Exchange with effect from 9:30 a.m. (Hong Kong time) and halted on CLOB International with effect from 9:00 a.m. (Singapore time) on 5 March 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 7 March 2007.

Reference is made to the Macau Announcement in connection with, amongst other things, the joint venture arrangement in relation to New Orisol for carrying out the acquisition of a piece of land and the development of a hotel which will house a casino and certain entertainment complex in Macau, subject to the approval of the Government of Macau. Reference is also made to the announcements of the Company dated 13 February 2007 and 28 February 2007 in relation to the delay in the despatch of the Circular in relation to the relevant transactions disclosed in the Macau Announcement and the Waiver applied for by the Company from strict compliance with the requirements under Rule 14.38 and Rule 14A.49 of the Listing Rules. The Stock Exchange granted the Waiver on 5 March 2007. Terms defined in the Macau Announcement have the same meaning in this announcement unless otherwise defined herein.

ACQUISITION OF 25% INDIRECT INTEREST IN NEW ORISOL AND THE NEW ORISOL SPA

On 14 February 2007, the Company received a letter from GIPLC notifying the Company of GIPLC's intention to withdraw from its investment in New Orisol held indirectly through GIPLC's wholly-owned subsidiary, Genting Star. On 21 February 2007, the Company received a further letter from GIPLC and was informed that clarifications have been sought by regulatory authorities in Singapore regarding GIPLC's investment in New Orisol and the other arrangements entered into by the Company in Macau. GIPLC was of the view that it would not be in a position to obtain the GIPLC Approval by 19 March 2007. Pursuant to the Shareholders' Agreement, in the event that the GIPLC Approval is not obtained by 19 March 2007, GIPLC's obligations under the Shareholders' Agreement shall cease, and the Company and SC Asia, a wholly-owned subsidiary of the Company, will be obliged to buy out, or procure a third party to buy-out, GIPLC's indirect interest in New Orisol at investment cost. Such exit provision in the Shareholders' Agreement in relation to New Orisol has been disclosed in details in the Macau Announcement.

In view of the foregoing, SC Asia and Genting Star entered into the New Orisol SPA to implement the New Orisol Acquisition.

Date

2 March 2007

Parties

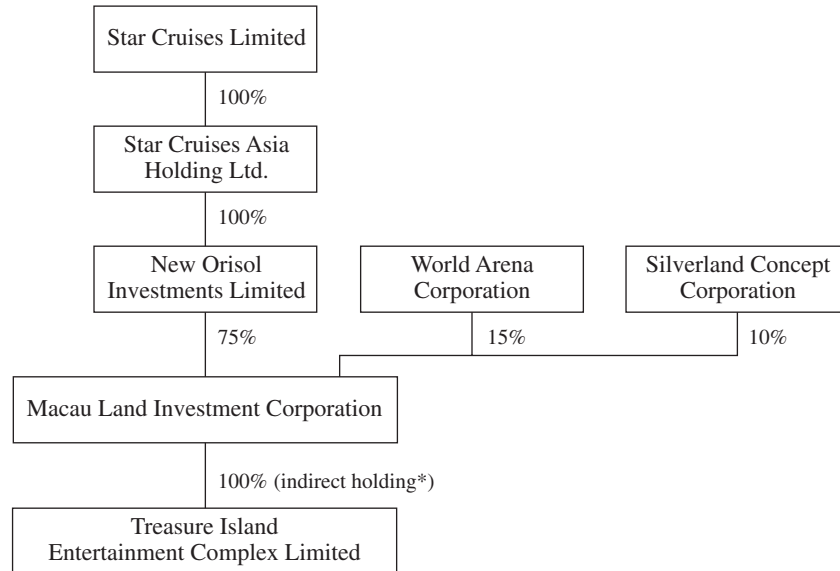
- (a) SC Asia, a wholly-owned subsidiary of the Company
- (b) Genting Star, a wholly-owned subsidiary of GIPLC

The New Orisol Acquisition

Pursuant to the New Orisol SPA, SC Asia agreed to purchase Genting Star's 25% interest in New Orisol at investment cost. As at 2 March 2007 (being the date of completion of the New Orisol Acquisition), Genting Star's investment cost amounted to HK\$58,500,000 which comprised the equity interest of HK\$195 and shareholder's loans of HK\$58,499,805 advanced by Genting Star to New Orisol. The Company utilised internal resources to finance the New Orisol Acquisition. Upon completion of the New Orisol Acquisition, the Shareholders' Agreement terminated.

Shareholding Structure of New Orisol upon Completion

New Orisol has become a wholly-owned subsidiary of the Company upon completion of the New Orisol Acquisition since 2 March 2007. The following chart sets out the simplified shareholding structure of New Orisol and its subsidiaries immediately following completion of the New Orisol Acquisition and the Acquisition in relation to the Land.



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

FINANCIAL INFORMATION OF NEW ORISOL

New Orisol has not commenced any operations since the date of its 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.

As New Orisol has become an indirect wholly-owned subsidiary of the Company since 2 March 2007, the results of New Orisol will be consolidated into the Group's financial statements.

THE ACQUISITION

The Company will, through New Orisol, proceed to complete the Acquisition in relation to the Land. The estimated total funding requirement for the Project (inclusive of the Consideration) to be contributed by the Company through New Orisol as a wholly-owned subsidiary will increase by HK\$875,000,000 to approximately HK\$3,500,000,000. As at the date of completion of the New Orisol Acquisition, the outstanding contractual liabilities of New Orisol in relation to the Project amounted to approximately HK\$1,407,770,000. 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.

REASONS FOR THE NEW ORISOL ACQUISITION AND THE COMPLETION OF THE ACQUISITION IN RELATION TO THE LAND

As GIPLC was of the view that it would not be able to obtain the GIPLC Approval before 19 March 2007, the withdrawal of its investment in New Orisol was imminent. Given that the Company already has a majority stake in New Orisol, the New Orisol Acquisition pursuant to the exit provision contained in the Shareholders' Agreement in relation to New Orisol represents an opportunity for the Company to acquire full ownership and exercise complete control of New Orisol. The Directors (including the Independent Non-executive Directors) are of the view that the New Orisol Acquisition was on normal commercial terms and the terms of the New Orisol SPA were fair and reasonable and in the interests of the Shareholders as a whole.

Notwithstanding GIPLC's withdrawal of its investment in New Orisol, the Directors consider that the terms of the Sale and Purchase Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole for reasons disclosed in the Macau Announcement.

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.

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.

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.

GENERAL

Pursuant to Rule 14.38 and Rule 14A.49 of the Listing Rules, the Circular is required to be despatched to the Shareholders within 21 days after publication of the Macau Announcement, i.e. on or before 13 February 2007. Given the latest development regarding the shareholding structure of New Orisol, the Company has applied to the Stock Exchange for the Waiver from strict compliance with the requirements under Rule 14.38 and Rule 14A.49 of the Listing Rules which was granted by the Stock Exchange on 5 March 2007.

The New Orisol Acquisition constitutes a connected transaction of the Company. As the percentage ratio of this connected transaction is more than 0.1% but less than 2.5%, such connected transaction is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Project of developing and constructing the hotel on the Land (inclusive of the Acquisition) will continue to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Pursuant to the Waiver granted by the Stock Exchange on 5 March 2007, a circular containing further details of the Project will be despatched to the Shareholders on or before 31 March 2007. The special general meeting of the Company originally scheduled for the purpose of considering and approving the Connected Transaction will no longer be necessary.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares was suspended on the Stock Exchange with effect from 9:30 a.m. (Hong Kong time) and halted on CLOB International with effect from 9:00 a.m. (Singapore time) on 5 March 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 7 March 2007.

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

Hong Kong, 6 March 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 Tut, Mr. William Ng Ko Seng and 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.

Please also refer to the published version of this announcement in China Daily.