



**Star Cruises Limited**  
(Continued into Bermuda with limited liability)

(Stock Code: 678)

**ANNOUNCEMENT**  
**RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2004**

The Directors of Star Cruises Limited ("Company") announce the unaudited consolidated results of the Company and its subsidiary companies ("Group") for the three months and nine months ended 30 September 2004 together with the comparative figures for the previous periods as follow:

	Note	Three months ended 30 September		Nine months ended 30 September	
		2004 US\$'000 unaudited	2003 US\$'000 unaudited	2004 US\$'000 unaudited	2003 US\$'000 unaudited
Turnover	1	478,657	437,518	1,246,332	1,218,176
Operating expenses (excluding depreciation and amortisation)		(293,967)	(253,513)	(801,997)	(799,233)
Selling, general and administrative expenses (excluding depreciation)		(60,157)	(57,307)	(190,908)	(182,949)
Depreciation and amortisation		(44,667)	(49,966)	(138,062)	(147,277)
		<u>(398,791)</u>	<u>(360,786)</u>	<u>(1,130,967)</u>	<u>(1,129,459)</u>
Operating profit	1	79,866	76,732	115,365	88,717
Interest income		735	388	2,010	2,054
Financial costs		(32,731)	(22,694)	(77,720)	(70,332)
Other non-operating expenses, net		(1,484)	(2,247)	(10,744)	(4,674)
		<u>(33,480)</u>	<u>(24,553)</u>	<u>(86,454)</u>	<u>(72,952)</u>
Profit before taxation		46,386	52,179	28,911	15,765
Taxation	2	36	(568)	(670)	(1,261)
Net profit for the period		<u>46,422</u>	<u>51,611</u>	<u>28,241</u>	<u>14,504</u>
Basic earnings per share (US cents)	3	0.88	1.04	0.53	0.29
Fully diluted earnings per share (US cents)	3	0.81	1.04	0.49	0.29
<u>Operating data</u>					
Passenger Cruise Days		2,242,544	2,176,090	6,317,867	6,358,900
Capacity Days		2,082,874	2,168,005	6,093,773	6,643,851
Occupancy as a percentage of total capacity days		108%	100%	104%	96%

## NOTES TO THE ACCOUNTS

### 1. Turnover and Operating Profit

The Group is principally engaged in the operation of passenger cruise ships.

Turnover consists of revenues earned from cruise and cruise related activities and charter hire. Cruise and cruise related revenue comprises sales of passenger tickets, including, in some cases, air transportation to and from the cruise ship, and revenues from onboard services and other related services, including gaming, food and beverage. Charter hire revenue includes the lease of a catamaran to a third party customer.

The amounts of each significant category of revenue recognised by the Group were as follows:

	TURNOVER			
	Three months ended		Nine months ended	
	30 September		30 September	
	2004	2003	2004	2003
	US\$'000	US\$'000	US\$'000	US\$'000
	unaudited	unaudited	unaudited	unaudited
Cruise and cruise related activities	477,402	436,318	1,243,759	1,215,692
Charter hire	1,255	1,200	2,573	2,484
	<u>478,657</u>	<u>437,518</u>	<u>1,246,332</u>	<u>1,218,176</u>
	OPERATING PROFIT			
	Three months ended		Nine months ended	
	30 September		30 September	
	2004	2003	2004	2003
	US\$'000	US\$'000	US\$'000	US\$'000
	unaudited	unaudited	unaudited	unaudited
Cruise and cruise related activities	79,342	76,094	115,032	88,153
Charter hire	524	638	333	564
	<u>79,866</u>	<u>76,732</u>	<u>115,365</u>	<u>88,717</u>

The Group's turnover and operating profit in its principal markets of North America and Asia Pacific are analysed as follows:

	TURNOVER			
	Three months ended		Nine months ended	
	30 September		30 September	
	2004	2003	2004	2003
	US\$'000	US\$'000	US\$'000	US\$'000
	unaudited	unaudited	unaudited	unaudited
Asia Pacific	93,866	112,675	298,746	306,069
North America (note)	353,085	299,633	859,907	826,796
Others	31,706	25,210	87,679	85,311
	<u>478,657</u>	<u>437,518</u>	<u>1,246,332</u>	<u>1,218,176</u>

1. Turnover and Operating Profit (Continued)

	OPERATING PROFIT			
	Three months ended		Nine months ended	
	30 September		30 September	
	2004	2003	2004	2003
US\$'000	US\$'000	US\$'000	US\$'000	
	unaudited	unaudited	unaudited	unaudited
Asia Pacific	29,629	19,960	71,154	18,117
North America (note)	47,595	53,215	46,198	69,294
Others	5,066	5,659	5,287	7,612
	82,290	78,834	122,639	95,023
Amortisation of goodwill	(2,424)	(2,102)	(7,274)	(6,306)
	79,866	76,732	115,365	88,717

Note: Substantially, all this turnover and operating profit arises in the United States of America.

2. Taxation

	Three months ended		Nine months ended	
	30 September		30 September	
	2004	2003	2004	2003
	US\$'000	US\$'000	US\$'000	US\$'000
	unaudited	unaudited	unaudited	unaudited
Overseas taxation				
- Current taxation	306	568	1,225	1,243
- Deferred taxation	(127)	-	(166)	18
	179	568	1,059	1,261
(Over) / Under provision in respect of prior years				
- Current taxation	(215)	-	(541)	-
- Deferred taxation	-	-	152	-
	(36)	568	670	1,261

The Company, which is domiciled in Bermuda, and the majority of its subsidiaries, are not subject to income tax as their income is mainly derived in international waters or outside taxing jurisdictions. However, the Group has incurred a tax charge, as illustrated in the table above, based on the income which is subject to local tax in certain of the jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

### 3. Earnings per share

Earnings per share has been calculated as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2004 US\$'000 unaudited	2003 US\$'000 unaudited	2004 US\$'000 unaudited	2003 US\$'000 unaudited
<b><u>BASIC</u></b>				
Net profit	46,422	51,611	28,241	14,504
Weighted average outstanding ordinary shares in thousands	5,293,202	4,946,489	5,293,181	4,946,279
Basic earnings per share in US cents	0.88	1.04	0.53	0.29
<b><u>FULLY DILUTED</u></b>				
Net profit	46,422	51,611	28,241	14,504
Weighted average outstanding ordinary shares in thousands	5,293,202	4,946,489	5,293,181	4,946,279
Effect of dilutive ordinary shares in thousands	438,915	4,223	438,614	198
Weighted average outstanding ordinary shares after assuming dilution in thousands	5,732,117	4,950,712	5,731,795	4,946,477
Fully diluted earnings per share in US cents	0.81	1.04	0.49	0.29

### **INTERIM DIVIDEND**

The Directors do not recommend the declaration of any interim dividend in respect of the nine months ended 30 September 2004.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Three months ended 30 September 2004 as compared with three months ended 30 September 2003

#### Turnover

The Group's revenue for the three months ended 30 September 2004 was US\$478.7 million, an increase of 9.4% from US\$437.5 million for the three months ended 30 September 2003 despite a decrease in capacity of 3.9%. Net revenue increased by 6.4%. Net revenue represents revenue less air ticket costs, travel agent commissions and other direct costs (all of which are included in operating expenses). Net revenue yield for the three months ended 30 September 2004 increased 10.8% as compared with the same quarter of 2003 primarily due to higher net revenue per diem and higher occupancy levels. Net revenue yield is defined as net revenue per capacity day. Occupancy level increased to 107.7% for the three months ended 30 September 2004 from 100.4% for the three months ended 30 September 2003.

Star Cruises Asia Pacific operated with 41.2% lower capacity days in the three months ended 30 September 2004 as compared to the three months ended 30 September 2003. The lower capacity was mainly a result of the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries in February 2004 and April 2004 respectively as well as the transfer of m.v. SuperStar Leo (renamed m.v. Norwegian Spirit) to NCL Corporation Ltd. ("NCLC") Group in May 2004. Net revenue yield was 43.2% higher as compared with the third quarter of 2003 and 25.3% higher as compared with the same period in 2002. The higher net revenue yield was driven mainly by higher occupancies and improved onboard revenues. Occupancy level increased to 102.2% in the third quarter of 2004 from 85.1% in the same quarter of 2003, which saw the tail end impact of Severe Acute Respiratory Syndrome ("SARS"). As a comparison, third quarter of 2002 recorded an occupancy of 95.9%.

NCLC Group recorded an increase in capacity days of 11.7% for the three months ended 30 September 2004 as compared to the three months ended 30 September 2003. The higher capacity was attributed to m.v. Norwegian Spirit which entered the NCL fleet in May 2004. Net revenue yield was 2.3% higher as compared with the same quarter of 2003. Occupancy level increased to 108.9% in the third quarter of 2004 from 106.8% in the same quarter of 2003.

#### Costs and expenses

Total costs and expenses before interest and non-operating items for the three months ended 30 September 2004 amounted to US\$398.8 million as compared with US\$360.8 million for the three months ended 30 September 2003.

Operating expenses increased by US\$40.5 million from US\$253.5 million for the three months ended 30 September 2003 to US\$294.0 million for the three months ended 30 September 2004. Included in operating expenses for the three months ended 30 September 2003 was proceeds from the loss of hire coverage net of related expenses of US\$9.2 million arising from s/s Norway boiler accident. Ship operating expenses (excluding costs such as travel agent commissions, air tickets and other direct costs as they are already included in the net revenue calculation) was 7.3% higher as compared with the same period in 2003. On a per capacity day basis, ship operating expenses were 11.6% higher as compared with the third quarter of 2003.

On a per capacity day basis, ship operating expenses for Star Cruises Asia Pacific increased 14.7% in the third quarter of 2004 as compared with the same quarter in 2003 as a result of higher crew payroll expenses. Ship operating expenses per capacity day for NCLC Group rose by 9.8% primarily due to operational challenges during the start-up of m.v. Pride of Aloha in Hawaii and higher than budgeted manning costs on that ship. Ship operating expenses excluding m.v. Pride of Aloha rose by 2.4% per capacity day.

Selling, general and administrative (SG&A) expenses increased 9.3% on a per capacity day basis as compared with the third quarter of 2003. The negative scale economy arising from the reduction in capacity and the additional shoreside expenses in Hawaii pushed the SG&A expenses on a per capacity day basis up.

Depreciation and amortisation expenses decreased by US\$5.3 million to US\$44.7 million for the three months ended 30 September 2004 as compared with US\$50.0 million for the three months ended 30 September 2003 mainly as a result of the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries as well as the reduced depreciation of s/s Norway.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Operating profit**

Operating profit for the three months ended 30 September 2004 was US\$79.9 million, as compared to US\$76.7 million for the three months ended 30 September 2003.

### **Non-operating income/(expense)**

Non-operating expenses increased by 36.4% to US\$33.5 million for the three months ended 30 September 2004 as compared with US\$24.6 million for the three months ended 30 September 2003. During the three months ended 30 September 2004, the Group had a non-cash loss on foreign exchange amounting to US\$0.2 million as compared to a non-cash loss on foreign exchange of US\$1.3 million in the third quarter of 2003. Interest expense, net of interest income and capitalised interest increased by 43.4% to US\$32.0 million for the three months ended 30 September 2004 as compared with US\$22.3 million for the three months ended 30 September 2003 as the result of the higher average outstanding debts and higher interest rates. Capitalised interest was US\$3.0 million for the three months ended 30 September 2004 as compared with US\$1.1 million for the three months ended 30 September 2003.

### **Profit before taxation**

Profit before taxation for the three months ended 30 September 2004 was US\$46.4 million as compared to US\$52.2 million for the three months ended 30 September 2003.

### **Taxation**

The Group has a taxation benefit of US\$0.04 million for the three months ended 30 September 2004 as compared with taxation expenses of US\$0.6 million for the same period in 2003 mainly due to overprovision of shipping income in respect of prior periods.

### **Net profit attributable to shareholders**

As a result, the Group recorded a net profit attributable to shareholders of US\$46.4 million for the three months ended 30 September 2004.

### **Liquidity and capital resources**

#### **Sources and uses of funds**

The majority of the Group's cash and cash equivalents are held in U.S. dollars. For the three months ended 30 September 2004, cash and cash equivalents decreased to US\$247.4 million from US\$314.2 million as at 30 June 2004. The Group's business provided US\$47.0 million of net cash from operations for the three months ended 30 September 2004 as compared to US\$30.5 million for the three months ended 30 September 2003. The increase in net cash generated from operations was primarily a result of the changes in operating liabilities during the quarter as compared to the same quarter of 2003.

During the three months ended 30 September 2004, the Group's capital expenditure was approximately US\$181.1 million. Approximately US\$164.2 million of the capital expenditure was related to capacity expansion. The remaining expenditure was for vessel refurbishments and onboard assets.

In July 2004, the Group drewdown US\$480 million under the US\$800 million Loan Facility and together with US\$250 million from the Senior Notes issue, repaid the outstanding amount of the Pride of Aloha Loan and loans related to Norwegian Spirit and Norwegian Star as well as partially repaid the US\$450 million term loan. The Group made principal repayments of US\$84.1 million in relation to its long-term borrowings during the three months ended 30 September 2004. The Group drewdown a total of US\$156.9 million under both the US\$334.1 million Norwegian Jewel Loan and the €298 million secured term loan for the construction of Norwegian Jewel and Pride of America respectively.

During the three months ended 30 September 2004, the restricted cash of approximately US\$7.2 million was released to NCLC by the bankcard processor. The restricted cash was approximately US\$29.4 million as at 30 September 2004.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Nine months ended 30 September 2004 as compared with nine months ended 30 September 2003

#### Turnover

The Group's revenue for the nine months ended 30 September 2004 was US\$1,246.3 million, increased by 2.3% from US\$1,218.2 million for the nine months ended 30 September 2003 despite a reduction in capacity of 8.3%. Net revenue increased by 2.8%. Net revenue yield for the nine months ended 30 September 2004 increased by 12.1% as compared with the same period of 2003. Occupancy for the nine months ended 30 September 2004 was 103.7%, up from 95.7% for the same period in 2003. The Group's performance for the nine months ended 30 September 2003 was severely affected by the impact from the Iraq conflict and the outbreak of SARS.

Star Cruises Asia Pacific operated with 24.8% lower capacity days in the nine months ended 30 September 2004 as compared to the nine months ended 30 September 2003. Net revenue yield was 32.7% higher as compared with the nine months ended 30 September 2003 and 13.5% higher as compared with the same period in 2002. Occupancy for the nine months ended 30 September 2004 was 94.5%, up from 73.9% and 85.7% for the same period in 2003 and 2002 respectively.

NCLC Group recorded a decrease in capacity days of 1.8% for the nine months ended 30 September 2004 as compared to the nine months ended 30 September 2003. Although m.v. Norwegian Spirit joined the fleet in mid-May 2004, the s/s Norway had been in service through to mid-May 2003 and so the two roughly equal sized ships have cancelled each other out in terms of capacity. Net revenue yield was 5.9% higher as compared with the same period of 2003. Occupancy for the nine months ended 30 September 2004 was 106.5%, up from 104.3% for the same period in 2003.

#### Costs and expenses

Total costs and expenses before interest and non-operating items for the nine months ended 30 September 2004 amounted to US\$1,131.0 million as compared with US\$1,129.5 million for the nine months ended 30 September 2003.

Operating expenses increased by US\$2.8 million from US\$799.2 million for the nine months ended 30 September 2003 to US\$802.0 million for the nine months ended 30 September 2004. Included in the operating expenses for the nine months ended 30 September 2004 was US\$4.3 million custom fines on Norwegian Star resulting from necessary alteration to the ship's Hawaii / Fanning Island itinerary in response to a problem with the ship's Azipod propulsion system. Included in the operating expenses for the nine months ended 30 September 2003 was the US\$5.3 million of net insurance proceeds related to the s/s Norway boiler accident. Ship operating expenses was 1.9% lower as compared with the same period in 2003. On a per capacity day basis, ship operating expenses were 7.0% higher as compared with the first nine months of 2003, with both Star Cruises Asia Pacific and NCLC Group recorded an increase of 3.1% and 8.1% respectively. Ship operating expenses per capacity day for NCLC Group rose 8.1% primarily due to the build up of the US flag operation. Ship operating expenses excluding the US flag build-up were up by 2.5% per capacity day for NCLC Group.

SG&A expenses increased by 13.8% on a per capacity day basis as compared with the nine months ended 30 September 2003. The increase has been driven in part by the shoreside costs of the new Honolulu operation and, during the early part of the year, by TV advertising campaigns in California and New York to support the new Hawaii operation and the year-round New York operation. Both of these markets are targeted for considerable growth in NCL future deployment and the decision was taken to commence the investment in consumer marketing this year in advance of the build-up. In the nine months ended 30 September 2003, the Group incurred charges to streamline the Asia Pacific operations and advertised heavily the two megaships, m.v. SuperStar Leo and m.v. SuperStar Virgo in Australia.

Depreciation and amortisation expenses decreased by US\$9.2 million to US\$138.1 million for the nine months ended 30 September 2004 as compared with US\$147.3 million for the nine months ended 30 September 2003 as a result of the disposal of two ships mentioned above and reduced depreciation for s/s Norway.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Operating profit**

Operating profit increased by US\$26.7 million to US\$115.4 million for the nine months ended 30 September 2004 as compared with US\$88.7 million for the nine months ended 30 September 2003.

### **Non-operating income/(expense)**

Non-operating expenses increased by 18.5% to US\$86.5 million for the nine months ended 30 September 2004 as compared with US\$73.0 million for the nine months ended 30 September 2003. During the nine months ended 30 September 2004, the Group had a non-cash loss on foreign exchange amounting to US\$7.5 million as compared to a non-cash gain on foreign exchange of US\$1.9 million in the first nine months of 2003. The non-cash loss resulted primarily from the strengthening of the Singapore dollar and Euro against the US dollar during the period. Interest expense, net of interest income and capitalised interest increased to US\$75.7 million for the nine months ended 30 September 2004 from US\$68.3 million for the same period in 2003. Interest expenses were higher primarily due to higher average outstanding debts and higher interest rates. Capitalised interest for the nine months ended 30 September 2004 was US\$6.3 million as compared with US\$1.1 million for the nine months ended 30 September 2003.

### **Profit before taxation**

Profit before taxation for the nine months ended 30 September 2004 was US\$28.9 million as compared to US\$15.8 million for the nine months ended 30 September 2003.

### **Taxation**

The Group incurred taxation expenses of US\$0.7 million for the nine months ended 30 September 2004 as compared to US\$1.3 million for the nine months ended 30 September 2003. The lower taxation expenses in the nine months ended 30 September 2004 was mainly a result of overprovision of shipping income of prior periods.

### **Net profit attributable to shareholders**

As a result, the Group recorded a net profit attributable to shareholders of US\$28.2 million for the nine months ended 30 September 2004.

### **Liquidity and capital resources**

#### **Sources and uses of funds**

For the nine months ended 30 September 2004, cash and cash equivalents decreased to US\$247.4 million from US\$377.0 million as at 31 December 2003. The Group's business provided US\$208.1 million of net cash from operations for the nine months ended 30 September 2004 as compared to US\$107.8 million for the nine months ended 30 September 2003. The increase in net cash generated from operations was primarily due to an increase in advance ticket sales during the period.

During the nine months ended 30 September 2004, the Group's capital expenditure was approximately US\$330.6 million. Approximately US\$270.0 million of the capital expenditure was related to capacity expansion. The remaining of the expenditure was for vessel refurbishments and onboard assets. During the nine months ended 30 September 2004, the Group received net proceeds of approximately US\$60.4 million from the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries.

In April 2004, the Group refinanced the outstanding balance of US\$403.2 million of the US\$623 million Fleet Loan through a drawdown of US\$400 million Reducing Revolving Credit Facility. In July 2004, the Group drewdown US\$480 million under the US\$800 million Loan Facility and together with US\$250 million from the Senior Notes issue, repaid the outstanding amount of the Pride of Aloha Loan and loans related to Norwegian Spirit and Norwegian Star as well as partially repaid the US\$450 million term loan. The Group made principal repayments of US\$218.8 million in relation to its long-term borrowings during the nine months ended 30 September 2004. The Group drewdown a total of US\$197.1 million under the US\$334.1 million Norwegian Jewel Loan and the €298 million secured term loan for construction of the ships, Norwegian Jewel and Pride of America respectively. Restricted cash decreased approximately US\$1.3 million during the nine months ended 30 September 2004 and was at approximately US\$29.4 million as at 30 September 2004.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Corporate reorganisation**

Starting in late 2003, the Group undertook a reorganisation of the Norwegian Cruise Line and Orient Lines businesses within the Group. The reorganisation, which closed on 23 April 2004, was intended to increase the financial self-sufficiency of NCL's business, allowing NCL to raise general and ship-specific financing without guarantees or other financial assistance from the Company and to facilitate the renewal of NCL's fleet as newly-built ships are placed into service. In addition, NCLC Group transferred six of its ships to the Company's subsidiaries at their net book values along with US\$403.2 million of secured indebtedness associated with these ships. After the transfer, NCL entered into arrangements with the Company's subsidiaries to charter these six ships for periods ranging from one to six years to continue operating them under Norwegian Cruise Line and Orient Lines brands.

### **Contingent liability**

There were no material updates to the information disclosed in the Group's annual report for the year ended 31 December 2003 and the interim reports for the three months ended 31 March 2004 and the three months and six months ended 30 June 2004.

### **Prospects**

For the remainder of 2004, the Group will continue to focus on its programme to further improve yield and occupancies. m.v. SuperStar Gemini has returned to the Straits of Malacca, Malaysia in October 2004 and the bookings have been encouraging thus far.

Other than as disclosed above, the Directors are not aware of any other material changes to the information in relation to the Group's performance and the material factors underlying its result and financial position published in the annual report for the year ended 31 December 2003 and the interim reports for the three months ended 31 March 2004 and the three months and six months ended 30 June 2004.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the nine months ended 30 September 2004, save for the issue of 66,480 new ordinary shares of US\$0.10 each at an aggregate price of US\$17,857 pursuant to the exercise of options granted under the Pre-listing Employee Share Option Scheme.

## **CORPORATE GOVERNANCE**

In compliance with the Code of Best Practice stipulated in Appendix 14 of the Listing Rules (the "Code of Best Practice"), the Company has established an Audit Committee with written terms of reference with reference to "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants).

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness of the external and internal audit and of internal controls and risk evaluation. The Audit Committee comprises the three Independent Non-executive Directors of the Company, namely, Mr. Alan Howard Smith, J.P., Mr. Tan Boon Seng and Mr. Lim Lay Leng. The Audit Committee has reviewed these results.

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not at any time during the nine months ended 30 September 2004, in compliance with the Code of Best Practice, except that the Independent Non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the By-laws of the Company.

## **PUBLICATION OF FINANCIAL INFORMATION**

All the information required by paragraphs 46(1) to 46(6) inclusive in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in force prior to 31 March 2004 which remains applicable to interim results in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements will be available for publication in the website of the Stock Exchange as soon as practicable.

## **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.

On behalf of the Board

**TAN SRI LIM KOK THAY**  
Chairman, President and Chief Executive Officer  
Hong Kong, 10 November 2004

### Forward-looking statements

This announcement contains forward-looking statements that involve risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of the Company about the industry and markets in which the Group operates. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Group, are difficult to predict and could cause actual result to differ materially from those expressed or forecast in the forward-looking statements. Factors that could cause actual result to differ materially from those reflected in the forward-looking statements include general economic and business conditions, changes in cruise industry competition, weather and other factors. Reliance should not be placed on these forward-looking statements, which reflect the view of the Company’s directors and management as of the date of this announcement only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the release of this announcement.