

Notes to the Accounts (Continued)

6. TRADE RECEIVABLES (Continued)

At 30 June 2001 and 31 December 2000, the ageing analysis of the trade receivables were as follows:

	30 June 2001 <i>US\$'000</i> <i>unaudited</i>	As at 31 December 2000 <i>US\$'000</i> <i>audited</i>
Current to 30 days	8,069	13,625
31 days to 60 days	3,469	2,223
61 days to 120 days	3,661	1,642
121 days to 180 days	2,124	929
181 days to 360 days	2,950	2,093
Over 360 days	1,530	1,788
	<u>21,803</u>	<u>22,300</u>

Credit terms generally range from payment in advance to 30 days credit terms.

7. TRADE CREDITORS

The ageing of trade creditors as at 30 June 2001 and 31 December 2000 were as follows:

	30 June 2001 <i>US\$'000</i> <i>unaudited</i>	As at 31 December 2000 <i>US\$'000</i> <i>audited</i>
Current to 60 days	53,693	68,994
61 days to 120 days	3,333	3,138
121 days to 180 days	1,671	3,381
Over 180 days	328	579
	<u>59,025</u>	<u>76,092</u>

Credit terms granted to the Group generally vary from no credit to 45 days credit.

8. LONG-TERM BANK LOANS

Long-term bank loans consist of the following:

	30 June 2001 <i>US\$'000</i> <i>unaudited</i>	As at 31 December 2000 <i>US\$'000</i> <i>audited</i>
US\$521.6 million syndicated term loan	451,840	469,227
US\$600 million term loan (i)	450,000	600,000
US\$210 million DnB Loan Agreement	189,000	196,000
US\$623 million Fleet Loan	565,200	597,600
1999 KfW Loan Agreement (ii)	150,000	96,790
Total liabilities	1,806,040	1,959,617
Less: Current portion	(113,573)	(263,573)
Long-term portion	<u>1,692,467</u>	<u>1,696,044</u>

Notes to the Accounts *(Continued)*

8. LONG-TERM BANK LOANS *(Continued)*

- (i) Pursuant to the terms of an amendment agreement signed in April 2001, the Group repaid US\$150 million of the US\$600 million 5-year term loan. This repayment was made from the proceeds of the disposal of m.v. Star Aquarius of US\$75 million in the previous quarter with the balance from the proceeds of the convertible notes issued to Resorts World Limited ("RWL") and the share placement, both of which occurred in 2000.
- (ii) This loan has been classified as a long-term bank loan since a permanent financing commitment to provide up to US\$225 million in loans has been obtained in May 2000 to refinance this loan.

9. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Golden Hope Limited ("GHL"), a company incorporated in the Isle of Man acting as trustee for the Golden Hope Unit Trust, a private unit trust whose beneficiaries include various trusts established for the benefit of Tan Sri Lim Goh Tong, and certain members of his family controls the Group.

Dato' Lim Kok Thay, the Chairman, President and Chief Executive Officer of the Group, is a son of Tan Sri Lim Goh Tong.

Kien Huat Development Sdn Bhd ("Kien Huat") is a company in which a brother of Dato' Lim Kok Thay has a substantial interest.

Genting Berhad ("GB"), a company in which Dato' Lim Kok Thay has a deemed interest and which is listed on the Kuala Lumpur Stock Exchange, controls Resorts World Berhad ("RWB"), a company also listed on the Kuala Lumpur Stock Exchange which in turn controls RWL which is a substantial shareholder of the Company.

A description of certain material transactions between the Group and these companies is set out below:

- (a) Kien Huat, together with its related companies, is involved in constructing a terminal building and renovating a ship berth for the Group in Laem Chabang, Bangkok, Thailand. In addition, Kien Huat is also involved in carrying out improvements to the Group's berthing facilities and other infrastructure facilities. Amounts charged to the Group in respect of these services were US\$0.1 million and US\$0.2 million in the three months ended 30 June 2001 and 2000 and US\$0.2 million and US\$0.5 million in the six months ended 30 June 2001 and 2000.
- (b) GB and its related companies provide certain services to the Group, including treasury services, secretarial services, certain information technology support services and other support services. The Group also purchased air tickets from a subsidiary of RWB. Amounts charged to the Group in respect of these services were US\$0.4 million and US\$0.3 million in the three months ended 30 June 2001 and 2000 and US\$0.9 million and US\$1.3 million in the six months ended 30 June 2001 and 2000.

The Group provides certain services to assist a subsidiary of GB in promoting the Genting Highlands Resort and other resort related properties as well as in conducting business liaison activities internationally. The amount charged to the subsidiary of GB was US\$0.1 million in the three months and six months ended 30 June 2001.

Amounts outstanding at the end of each fiscal period in respect of the above transactions are included in the balance sheets within amounts due to related companies.

Notes to the Accounts (Continued)

10. SHAREHOLDERS' FUNDS

Six months ended 30 June 2001

	Share Capital US\$'000	Share Premium US\$'000	Additional paid-in capital US\$'000	Foreign currency translation adjustments US\$'000	Unamortised share option expense US\$'000	Cash flow hedge reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<u>unaudited</u>								
At 1 January 2001	414,108	1,053,853	93,952	(25,577)	(8,911)	—	67,512	1,594,937
Exchange translation differences	—	—	—	(1,287)	—	—	—	(1,287)
Net profit for the period	—	—	—	—	—	—	628	628
Gains on financial instruments	—	—	—	—	—	611	—	611
Issue of ordinary shares pursuant to Star Cruises Employees Share Option Scheme	299	534	—	—	—	—	—	833
Charged to profit and loss account	—	—	—	—	1,389	—	—	1,389
At 30 June 2001	<u>414,407</u>	<u>1,054,387</u>	<u>93,952</u>	<u>(26,864)</u>	<u>(7,522)</u>	<u>611</u>	<u>68,140</u>	<u>1,597,111</u>

Six months ended 30 June 2000

	Share Capital US\$'000	Share Premium US\$'000	Additional paid-in capital US\$'000	Foreign currency translation adjustments US\$'000	Unamortised share option expense US\$'000	Cash flow hedge reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<u>audited</u>								
At 1 January 2000	62,467	675,823	89,376	(23,825)	(4,892)	—	111,512	910,461
Exchange translation differences	—	—	—	(927)	—	—	—	(927)
Net loss for the period	—	—	—	—	—	—	(1,544)	(1,544)
Issue of ordinary shares pursuant to Star Cruises Employees Share Option Scheme	18	227	—	—	—	—	—	245
Issuance of share option	—	—	1,535	—	(1,535)	—	—	—
Charged to profit and loss account	—	—	—	—	705	—	—	705
At 30 June 2000	<u>62,485</u>	<u>676,050</u>	<u>90,911</u>	<u>(24,752)</u>	<u>(5,722)</u>	<u>—</u>	<u>109,968</u>	<u>908,940</u>

In June 2001, the Group paid a further approximately US\$18 million to fund the new buildings programme in respect of m.v. Norwegian Dawn (formerly known as m.v. SuperStar Scorpio) in addition to the payment of US\$18 million made in February this year. These payments were made from the proceeds of the convertible notes issued to RWL and share placement.

Notes to the Accounts *(Continued)*

11. FINANCIAL INSTRUMENTS

The Group entered into several additional amortising interest rate swaps to effectively convert the interest rate on US\$148.5 million of the US\$521.6 million term loan obtained to finance the construction of m.v. SuperStar Leo and m.v. SuperStar Virgo from a floating rate obligation to a fixed rate obligation in the three months ended 30 June 2001. As at 30 June 2001, the Group has effectively converted the interest rate of aggregate US\$268.5 million of this term loan to a fixed rate obligation, and the estimated fair market value of these interest rate swaps was approximately US\$0.6 million, which was favourable to the Group. The changes in the fair value of these interest rate swaps are included as a separate component of reserve.

12. CAPITAL COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure

The Group had the following commitments as at 30 June 2001 and 31 December 2000:

	30 June 2001 <i>US\$'000</i> <i>unaudited</i>	As at	31 December 2000 <i>US\$'000</i> <i>audited</i>
Contracted but not provided for			
- Cruise ships under construction	767,432		840,807
- Cruise terminal under construction	6,500		9,547
- Others	16,401		—
	<u>790,333</u>		<u>850,354</u>
Authorised but not contracted for	<u>—</u>		<u>—</u>

(ii) Material Litigation and Contingencies

There were no material changes to the information disclosed in the Group's annual report for the year ended 31 December 2000.