STAR CRUISES

STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

Interim Report for the three months and six months ended 30 June 2004

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This interim report 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 Star Cruises Limited (the "Company") about the industry and markets in which the Company and its subsidiaries (the "Group") operate. 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 report only. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the publication of this interim report.

Corporate Information

Board of Directors

Tan Sri Lim Kok Thay
Chairman, President and Chief Executive Officer

Mr. Alan Howard Smith, J.P.
Deputy Chairman and Independent Non-executive Director

Mr. Chong Chee Tut
Executive Director and Chief Operating Officer

Mr. William Ng Ko Seng
Executive Director and Executive Vice President

Mr. David Colin Sinclair Veitch
Executive Director of the Company, President and Chief Executive Officer of NCL Corporation Ltd.

Mr. Tan Boon Seng
Independent Non-executive Director

Mr. Lim Lay Leng
Independent Non-executive Director

Secretary
Ms. Louisa Tam Suet Lin

Assistant Secretary
Mr. Tan Wooi Meng
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The Board of Directors (the "Directors") of Star Cruises Limited (the "Company") presents the unaudited consolidated accounts of the Company and its subsidiaries (collectively referred to as the "Group") for three months and six months ended 30 June 2004, as follows:

Consolidated Profit and Loss Accounts

		Three months ended 30 June		Six months ended 30 June	
		2004	2003	2004	2003
		US$'000	*US$'000*	*US$'000*	*US$'000*
	Note	*unaudited*	*unaudited*	*unaudited*	*unaudited*
Turnover	2	376,928	368,696	767,675	780,658
Operating expenses (excluding depreciation and amortisation)		(253,668)	(266,318)	(508,030)	(545,720)
Selling, general and administrative expenses (excluding depreciation)		(61,112)	(62,536)	(130,751)	(125,642)
Depreciation and amortisation	3	(45,116)	(49,190)	(93,395)	(97,311)
		(359,896)	(378,044)	(732,176)	(768,673)
Operating profit / (loss)	2	17,032	(9,348)	35,499	11,985
Interest income		631	725	1,275	1,666
Financial costs		(22,902)	(23,266)	(44,989)	(47,638)
Other non-operating income / (expenses), net		(2,867)	259	(9,260)	(2,427)
		(25,138)	(22,282)	(52,974)	(48,399)
Loss before taxation		(8,106)	(31,630)	(17,475)	(36,414)
Taxation	4	(895)	(437)	(706)	(693)
Net loss for the period		(9,001)	(32,067)	(18,181)	(37,107)
Basic loss per share (US cents)	5	(0.17)	(0.65)	(0.34)	(0.75)
Fully diluted earnings per share (US cents) *	5	N/A	N/A	N/A	N/A
Operating data					
Passenger Cruise Days		2,010,013	2,053,526	4,075,323	4,182,810
Capacity Days		1,888,881	2,189,339	4,010,899	4,475,846
Occupancy as a percentage of total capacity days		106%	94%	102%	93%

* Diluted loss per share for the three months and six months ended 30 June 2004 are not shown as the diluted loss per share is less than the basic loss per share. Diluted loss per share for the three months and six months ended 30 June 2003 are not shown as the share option outstanding during the periods has an anti-dilutive effect on the basic loss per share for the respective periods.

Consolidated Balance Sheet

	Note	As at 30 June 2004 US$'000 unaudited	As at 31 December 2003 US$'000 audited
Intangible assets		613,518	621,750
Deferred tax asset		383	—
Fixed assets		3,631,394	3,626,873
Restricted cash		150	150
Other assets		63,453	39,689
CURRENT ASSETS			
Consumable inventories		43,015	38,075
Trade receivables	6	14,229	17,423
Prepaid expenses and others		29,606	44,274
Amounts due from related companies	10	301	—
Restricted cash		36,604	30,724
Cash and cash equivalents		314,228	377,033
		437,983	507,529
CURRENT LIABILITIES			
Trade creditors	7	66,985	98,950
Provisions, accruals and other liabilities		237,728	229,824
Current portion of long-term bank loans	8	193,668	1,074,226
Amounts due to related companies	10	—	109
Advance ticket sales		278,250	196,605
		776,631	1,599,714
Net current liabilities		(338,648)	(1,092,185)
Total assets less current liabilities		3,970,250	3,196,277
Financed by:			
Share capital		529,320	529,314
Reserves		1,270,287	1,279,202
Shareholders' funds		1,799,607	1,808,516
Long-term bank loans	8	1,982,434	1,199,567
Convertible bonds	9	180,000	180,000
Other long-term liabilities		7,539	7,992
Deferred tax liabilities		670	202
		3,970,250	3,196,277

Consolidated Cash Flow Statements

	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
OPERATING ACTIVITIES				
Cash generated from operations	135,992	75,168	200,356	126,673
Interest paid	(13,940)	(16,430)	(38,947)	(50,123)
Interest received	638	738	1,279	1,660
Income tax paid	(1,286)	(726)	(1,599)	(954)
Net cash inflow from operating activities	121,404	58,750	161,089	77,256
INVESTING ACTIVITIES				
Purchase of fixed assets	(54,921)	(90,912)	(149,524)	(138,380)
Proceeds from sale of fixed assets	40,913	14	60,359	35
Others	(3,464)	—	(4,257)	—
Net cash outflow from investing activities	(17,472)	(90,898)	(93,422)	(138,345)
FINANCING ACTIVITIES				
Proceeds from long-term bank loans	439,659	36,194	440,193	36,194
Principal repayments of long-term bank loans	(466,998)	(63,777)	(537,884)	(103,289)
Proceeds from issuance of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	—	—	18	10
Restricted cash, net	(26,619)	(2,351)	(5,880)	(54,437)
Payment of loan arrangement fees	(25,459)	(3,220)	(25,959)	(3,443)
Others, net	(154)	(167)	(307)	(291)
Net cash outflow from financing activities	(79,571)	(33,321)	(129,819)	(125,256)
Effect of exchange rate changes on cash and cash equivalents	(1,234)	(1,822)	(653)	106
Net increase / (decrease) in cash and cash equivalents	23,127	(67,291)	(62,805)	(186,239)
Cash and cash equivalents at the beginning of the period	291,101	298,010	377,033	416,958
Cash and cash equivalents at the end of the period	314,228	230,719	314,228	230,719

Consolidated Statement of Changes in Equity

	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*	Accumulated losses *US$'000*	Total *US$'000*
Six months ended 30 June 2004								
unaudited								
At 1 January 2004	529,314	1,267,901	92,818	(23,013)	(2,065)	(34,366)	(22,073)	1,808,516
Exchange translation differences	—	—	—	(1,662)	—	—	—	(1,662)
Cash flow hedge:								
- Gains on financial instruments	—	—	—	—	—	2,308	—	2,308
- Transferred to profit and loss account	—	—	—	—	—	8,149	—	8,149
Net amounts not recognised in the profit and loss account	—	—	—	(1,662)	—	10,457	—	8,795
Net loss for the period	—	—	—	—	—	—	(18,181)	(18,181)
Issue of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	6	12	—	—	—	—	—	18
Amortisation of share option expense	—	—	—	—	459	—	—	459
At 30 June 2004	529,320	1,267,913	92,818	(24,675)	(1,606)	(23,909)	(40,254)	1,799,607

During the six months ended 30 June 2004, the remaining net proceeds from the rights issue in 2002 of approximately US$6.5 million and the net proceeds from the rights issue in 2003 of approximately US$99 million have been used to fund the newbuilding programme. As at 30 June 2004, there were no unapplied proceeds from the issuance of ordinary shares in 2002 and 2003.

Consolidated Statement of Changes in Equity

	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*
Six months ended 30 June 2003								
unaudited								
At 1 January 2003	494,614	1,203,404	93,436	(25,842)	(3,912)	(44,570)	102,400	1,819,530
Exchange translation differences	—	—	—	1,494	—	—	—	1,494
Cash flow hedge:								
- Loss on financial instruments	—	—	—	—	—	(11,563)	—	(11,563)
- Transferred to profit and loss account	—	—	—	—	—	7,668	—	7,668
Net amounts not recognised in the profit and loss account	—	—	—	1,494	—	(3,895)	—	(2,401)
Net loss for the period	—	—	—	—	—	—	(37,107)	(37,107)
Issue of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme	4	6	—	—	—	—	—	10
Amortisation of share option expense	—	—	—	—	834	—	—	834
At 30 June 2003	494,618	1,203,410	93,436	(24,348)	(3,078)	(48,465)	65,293	1,780,866

Notes to the Accounts

1. PRINCIPAL ACCOUNTING POLICIES

The unaudited accounts of the Group have been prepared in compliance with the revised Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting", and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in force prior to 31 March 2004 which remains applicable to interim reports in respect of accounting periods commencing before 1 July 2004 under the transitional arrangements. The accounting policies and methods of computation used in the preparation of these accounts are consistent with those used in the annual accounts for the year ended 31 December 2003.

This interim report should be read in conjunction with the annual accounts of the Group for the year ended 31 December 2003.

On 1 January 2004, the Group revised the estimated useful life of the catamaran from 30 years to 20 years to more realistically reflect its remaining estimated useful life. The change in the useful life of the catamaran did not have any material effect on the results and financial position of the Group for the three months and six months ended 30 June 2004.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current financial period.

2. TURNOVER AND OPERATING PROFIT / (LOSS)

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:

	Cruise and cruise related activities		Charter Hire		Total	
	2004	2003	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Three months ended 30 June						
unaudited						
Turnover	375,610	367,412	1,318	1,284	376,928	368,696
Operating profit / (loss)	16,496	(10,034)	536	686	17,032	(9,348)
Interest income					631	725
Financial costs					(22,902)	(23,266)
Other non-operating income / (expenses), net					(2,867)	259
Loss before taxation					(8,106)	(31,630)
Taxation					(895)	(437)
Net loss for the period					(9,001)	(32,067)
Six months ended 30 June						
unaudited						
Turnover	766,357	779,374	1,318	1,284	767,675	780,658
Operating profit / (loss)	35,690	12,059	(191)	(74)	35,499	11,985
Interest income					1,275	1,666
Financial costs					(44,989)	(47,638)
Other non-operating expenses, net					(9,260)	(2,427)
Loss before taxation					(17,475)	(36,414)
Taxation					(706)	(693)
Net loss for the period					(18,181)	(37,107)

2. TURNOVER AND OPERATING PROFIT / (LOSS) *(Continued)*

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

	TURNOVER			
	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Asia Pacific	93,166	80,344	204,880	193,394
North America (note)	251,608	259,271	506,822	527,163
Others	32,154	29,081	55,973	60,101
	376,928	368,696	767,675	780,658

	OPERATING PROFIT/ (LOSS)			
	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Asia Pacific	23,442	(14,985)	41,525	(1,843)
North America (note)	(3,925)	6,765	(1,397)	16,079
Others	(60)	797	221	1,953
	19,457	(7,423)	40,349	16,189
Amortisation of goodwill	(2,425)	(1,925)	(4,850)	(4,204)
	17,032	(9,348)	35,499	11,985

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

3. DEPRECIATION AND AMORTISATION

Depreciation and amortisation of the Group consists of the following:

	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Depreciation of fixed assets	40,473	45,335	84,174	89,246
Amortisation of software development costs	527	108	989	216
Amortisation of goodwill	2,425	1,925	4,850	4,204
Amortisation of trade names and trademarks	1,691	1,822	3,382	3,645
Total depreciation and amortisation	45,116	49,190	93,395	97,311
- relating to operating function	42,699	46,411	88,590	91,660
- relating to selling, general and administrative function	2,417	2,779	4,805	5,651

Notes to the Accounts *(Continued)*

4. TAXATION

	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
Overseas taxation				
- Current taxation	433	419	919	675
- Deferred taxation	710	18	(39)	18
	1,143	437	880	693
(Over) / Under provision in respect of prior years				
- Current taxation	(400)	—	(326)	—
- Deferred taxation	152	—	152	—
	895	437	706	693

The Company, which 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 respective jurisdictions where it operates. The appropriate local tax rate has been applied, in such circumstances, to determine the applicable tax charge.

5. LOSS PER SHARE

Loss per share has been calculated as follows:

	Three months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003
	US$'000	*US$'000*	*US$'000*	*US$'000*
	unaudited	*unaudited*	*unaudited*	*unaudited*
BASIC				
Net loss	(9,001)	(32,067)	(18,181)	(37,107)
Weighted average outstanding ordinary shares in thousands	5,293,202	4,946,177	5,293,171	4,946,175
Basic loss per share in US cents	(0.17)	(0.65)	(0.34)	(0.75)
FULLY DILUTED				
Net loss	(9,001)	(32,067)	(18,181)	(37,107)
Weighted average outstanding ordinary shares in thousands	5,293,202	4,946,177	5,293,171	4,946,175
Effect of dilutive ordinary shares in thousands	438,283	—	439,147	—
Weighted average outstanding ordinary shares after assuming dilution in thousands	5,731,485	4,946,177	5,732,318	4,946,175
Fully diluted earnings per share in US cents*	N/A	N/A	N/A	N/A

* Diluted loss per share for the three months and six months ended 30 June 2004 are not shown as the diluted loss per share is less than the basic loss per share. Diluted loss per share for the three months and six months ended 30 June 2003 are not shown as the share option outstanding during the periods has an anti-dilutive effect on the basic loss per share for the respective periods.

6. TRADE RECEIVABLES

	As at 30 June 2004 *US$'000 unaudited*	As at 31 December 2003 *US$'000 audited*
Trade receivables	18,761	22,501
Less: Provisions	(4,532)	(5,078)
	14,229	17,423

At 30 June 2004 and 31 December 2003, the ageing analysis of the trade receivables was as follows:

	As at 30 June 2004 *US$'000 unaudited*	As at 31 December 2003 *US$'000 audited*
Current to 30 days	6,151	11,231
31 days to 60 days	3,159	4,420
61 days to 120 days	1,990	2,413
121 days to 180 days	2,409	1,434
181 days to 360 days	3,748	1,820
Over 360 days	1,304	1,183
	18,761	22,501

Credit terms generally range from payment in advance to 45 days credit terms.

7. TRADE CREDITORS

The ageing of trade creditors as at 30 June 2004 and 31 December 2003 were as follows:

	As at 30 June 2004 *US$'000 unaudited*	As at 31 December 2003 *US$'000 audited*
Current to 60 days	57,682	91,085
61 days to 120 days	6,001	7,289
121 days to 180 days	2,826	155
Over 180 days	476	421
	66,985	98,950

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

Notes to the Accounts *(Continued)*

8. LONG-TERM BANK LOANS

Long-term bank loans consist of the following:

	As at 30 June 2004 US$'000 *unaudited*	As at 31 December 2003 US$'000 *audited*
US$521.6 million syndicated term loan	347,520	364,906
US$626.9 million syndicated term loan	543,332	564,230
US$450 million term loan	332,100	412,500
US$210 million Pride of Aloha Loan	147,000	154,000
US$623 million Fleet Loan (note i)	—	403,200
US$225 million term loan	216,000	225,000
€298 million secured term loan	150,491	149,957
US$400 million Reducing Revolving Credit Facility (note i)	400,000	—
US$334.1 million Norwegian Jewel Loan (note ii)	39,659	—
Total liabilities	2,176,102	2,273,793
Less: Current portion	(193,668)	(1,074,226)
Long-term portion	1,982,434	1,199,567

All the above long-term loans are denominated in U.S. dollars.

(i) On 20 April 2004, the Company as borrower signed an agreement for a Reducing Revolving Credit Facility with a syndicate of banks to provide up to US$400 million ("US$400 million facility") to refinance the outstanding balance of the US$623 million Fleet Loan ("Fleet Loan"). On 23 April 2004, the Group drewdown US$400 million under the US$400 million facility and together with US$3.2 million of internally generated funds, repaid the outstanding amount of the Fleet Loan. The US$400 million facility bears interest at a rate which varies according to London Interbank Offer Rate ("LIBOR"), and is repayable in 14 equal half yearly installments with a balloon payment due in April 2011.

The US$400 million facility is secured primarily by a first priority mortgage over and other security relating to certain of the Group's ships and a guarantee given by various wholly-owned subsidiaries of the Company. The guarantee contains undertakings requiring compliance with certain financial ratios.

(ii) On 20 April 2004, Hull 667 Limited, an indirect wholly-owned subsidiary of the Company, as borrower, secured a term loan of up to US$334.1 million (the "US$334.1 million Norwegian Jewel Loan") from a syndicate of banks to part finance the construction of Norwegian Jewel. On the same date, an indirect wholly-owned subsidiary of the Company, Ship Ventures Inc., as borrower, secured a term loan of up to €308.1 million (equivalent to approximately US$374.2 million based on the exchange rate of US$1.2146 to €1 as at 30 June 2004, the "€308.1 million Pride of Hawaii Loan") from a syndicate of banks to part finance the construction of Pride of Hawaii.

During the three months ended 30 June 2004, the Group drewdown US$39.7 million of the US$334.1 million Norwegian Jewel Loan to pay the shipyard.

The facility under the US$334.1 million Norwegian Jewel Loan bears interest at a rate, which varies according to LIBOR, is repayable in 24 equal half yearly installments commencing 6 months from the earlier of the delivery date or 31 January 2006.

The facility under the €308.1 million Pride of Hawaii Loan bears interest at a rate, which varies according to European Interbank Offer Rate or LIBOR depending on whether amounts under the facility are drawndown in US dollars or Euro. This facility is repayable in 24 equal half yearly installments commencing 6 months from the earlier of the delivery date or 10 October 2006.

These facilities are secured by guarantees from NCL Corporation Ltd. ("NCLC"), a direct wholly-owned subsidiary of the Company, a charge over the shares of the borrowers and a debenture over the assets of Hull 667 Limited (in relation to the US$334.1 million Norwegian Jewel Loan only). Prior to delivery, the facilities are secured by first mortgages over Norwegian Jewel and Pride of Hawaii under construction, assignments of the building contracts, assignments of ship insurances and supervision agreements.

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

(iii) On 7 July 2004, NCLC as borrower signed an agreement for a Secured Credit Facility with a syndicate of banks to provide up to US$800 million, comprising a term loan facility of US$300 million and a revolving credit facility of US$500 million (the "US$800 million Loan Facility"). The US$800 million Loan Facility will be used to refinance indebtedness relating to Norwegian Star and Pride of Aloha, to fund the purchase of Norwegian Spirit from a subsidiary of the Company and for NCLC Group's general corporate and working capital purposes. The US$800 million Loan Facility bears interest at rates which varies according to LIBOR and will mature on the sixth anniversary of the signing of the loan documentation. The US$500 million Revolving Credit Facility entered into on 23 April 2004 intended for the re-financing of Norwegian Star, part acquisition of Norwegian Spirit and for general corporate purposes has not been drawn down and has been cancelled in conjunction with the creation of the US$800 million Loan Facility.

On 16 July 2004, the Group drewdown US$470 million under the US$800 million Loan Facility and together with the net proceeds from the Senior Notes issue and internally generated funds, repaid the outstanding amount of the Pride of Aloha Loan and loans related to Norwegian Spirit and Norwegian Star as well as paid down the US$450 million term loan.

The US$800 million Loan Facility is secured by ship mortgages over Norwegian Spirit, Pride of Aloha and Norwegian Star and guaranteed by the subsidiaries which own these vessels. The facilities contain restrictive covenants which require compliance with certain financial ratios.

9. CONVERTIBLE BONDS

During the six months ended 30 June 2004, none of the Convertible Bonds (the "Bonds") were redeemed or purchased by the Company or converted into ordinary shares of the Company.

The net proceeds of approximately US$176.3 million from the issuance of the Bonds is being used for the acquisition or construction of vessels in line with the Group's strategy to upgrade its fleet, as general working capital and / or for the reduction of outstanding liabilities under certain bank loans of the Group. During the six months ended 30 June 2004, the Group used approximately US$50.6 million of the net proceeds to fund the newbuilding programme and for general working capital purposes. As at 30 June 2004, the balance of unapplied proceeds of approximately US$125.7 million was on deposit with banks.

10. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Golden Hope Limited, a company incorporated in the Isle of Man acting as trustee of the Golden Hope Unit Trust, a private unit trust whose beneficiaries include various discretionary trusts established for the benefit of certain members of Tan Sri Lim Goh Tong's family, is a substantial shareholder of the Company.

Tan Sri 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 ("KHD") is a company in which a brother of Tan Sri Lim Kok Thay has a substantial interest.

Genting Berhad ("GB"), a company in which Tan Sri Lim Kok Thay has a deemed interest and which is listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), controls Resorts World Bhd ("RWB"), a company also listed on Bursa Malaysia which in turn indirectly controls Resorts World Limited which is a substantial shareholder of the Company. GB indirectly controls Genting International PLC ("GIPLC"), a company listed on the Luxembourg Stock Exchange.

WorldCard International Limited ("WCIL") is a company in which a subsidiary of each of the Group and GIPLC has a 50% interest.

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

(a) KHD, together with its related companies, was involved in carrying out improvements to the Group's berthing facilities and other infrastructure facilities. No amounts were charged to the Group in respect of these services for the three months ended 30 June 2004 and 2003 respectively. Amounts charged to the Group in respect of these services for the six months ended 30 June 2004 and 2003 were approximately US$12,000 and US$- respectively.

(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 purchases air tickets from a subsidiary of RWB. Amounts charged to the Group in respect of these services totalled approximately US$0.2 million each for the three months ended 30 June 2004 and 2003 respectively and approximately US$0.3 million and US$0.4 million for the six months ended 30 June 2004 and 2003 respectively.

(c) The Group provides certain administrative support services to GIPLC internationally and the amounts charged to GIPLC were approximately US$18,000 and US$- for the three months ended 30 June 2004 and 2003 respectively and approximately US$36,000 and US$50,000 for the six months ended 30 June 2004 and 2003 respectively.

Notes to the Accounts *(Continued)*

10. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(d) On 19 January 2004, the Group subscribed for 500,000 shares of US$1 each at par in WCIL and participated as a merchant in the customer loyalty programme known as "WorldCard". WCIL together with its related companies operates and administers the WorldCard programme on an international basis (save as Malaysia). During the three months and six months ended 30 June 2004, the share of losses from WCIL amounted to US$58,000 and US$128,000 respectively, and was included as other expense in the consolidated profit and loss account.

In addition, certain agreements were entered into among certain subsidiaries of the Group and RWB and a subsidiary of the GB Group in relation to the implementation of joint promotion and marketing programmes for the purpose of promoting the respective businesses of the Group and the RWB Group.

For the three months ended 30 June 2004, no amount was charged from the GB Group to the Group and the amount charged to the GB Group by the Group was approximately US$0.1 million in respect of the relevant programmes. For the six months ended 30 June 2004, the GB Group charged approximately US$0.2 million to the Group and the amount charged to the GB Group by the Group was approximately US$0.4 million in respect of the relevant programmes.

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

11. FINANCIAL INSTRUMENTS

(i) The Group has several interest rate swaps to convert certain long-term borrowings from a floating rate obligation to a fixed rate obligation. The Group has effectively converted the interest rate of an aggregate US$430.4 million of term loans to a fixed rate obligation and the notional amount will be reduced six-monthly in varying amounts over periods ranging from 6 to 10 years from the dates of the interest rate swap agreements. As at 30 June 2004, the estimated fair market value of the interest rate swaps was approximately US$23.0 million, which was unfavourable to the Group. The changes in the fair value of the interest rate swaps were included as a separate component of reserves and recognised in the profit and loss account as the underlying hedged items were recognised.

The Group has a series of 5.5% capped USD LIBOR-in-arrears interest rate swaps with a notional amount of approximately US$140.8 million to limit its exposure to fluctuations in interest rate movements if rate moves beyond the cap level of 5.5%. The notional amount for each interest period will be reduced six-monthly in varying amounts over 5 years from August 2003. As at 30 June 2004, the estimated fair market value of these interest rate swaps was approximately US$0.9 million, which was unfavourable to the Group. The changes in the fair value of these interest rate swaps are also included as a separate component of reserves and are recognised in the profit and loss account as the underlying hedged items are recognised.

(ii) The Group entered into various Singapore dollars forward contracts and the notional amount of these contracts was approximately US$206.7 million. The notional amount will be reduced six-monthly in varying amounts over periods ranging from 5 to 11 years from the dates of the contracts. As at 30 June 2004, the estimated fair market value of these forward contracts was approximately US$6.1 million, which was favourable to the Group. The changes in the fair value of these forward contracts were recognised as other income in the profit and loss account.

(iii) The Group entered into a series of monthly forward contracts to buy US dollars against Hong Kong dollars. The notional amount of these forward contracts was approximately US$60.7 million and will be reduced monthly in fixed amounts maturing within 3 years from December 2002. As at 30 June 2004, the estimated fair market value of these contracts was approximately US$0.4 million, which was unfavourable to the Group. The changes in the fair value of these forward contracts were recognised as other expense in the profit and loss account.

(iv) The Group had forward contracts maturing every two months up to April 2004 with a total notional amount of US$160.7 million which were originally designated as a hedge against the Euro denominated currency shipbuilding commitments on the construction of the Pride of America vessel. As a result of the Pride of America incident, where the vessel took on excessive amounts of water and partially sank during a severe storm while under construction at the Lloyd Werft Bremerhaven shipyard in Germany causing a delay in the completion of the ship, the hedge became ineffective as at 14 January 2004. These forward contracts matured in April 2004 and the Group recognised a loss of US$1.5 million in the three months ended 30 June 2004.

The Group then entered into two forward contracts maturing in July 2004 for total notional amounts of US$92.1 million and €78.2 million. As at 30 June 2004, the estimated fair market value of these forward contracts was approximately US$2.1 million, which was unfavourable to the Group. The changes in the fair value of these forward contracts were recognised as other expense in the profit and loss account.

The fair values of these instruments have been estimated using public market prices or quotes from reputable financial institutions. The Group had no significant concentrations of credit risk as at 30 June 2004 other than deposits of cash with reputable financial institutions.

12. CAPITAL COMMITMENTS AND CONTINGENCIES

(i) Capital expenditure

The Group had the following commitments as at 30 June 2004 and 31 December 2003:

	As at 30 June 2004 *US$'000* *unaudited*	As at 31 December 2003 *US$'000* *audited*
Contracted but not provided for		
- Cruise ships and other related costs	884,052	995,955

(ii) Material Litigation

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 report for the three months ended 31 March 2004.

(iii) Other Commitments

In June 2004, NCLC entered into a contract with the City of New York pursuant to which NCLC will receive preferential berths on specific piers in New York City's cruise terminals. In return, NCLC has committed to bring a specified volume of passenger throughput to New York City between 2005 and 2018. New York City has also committed to modernise and renovate its cruise terminal facilities.

This commitment together with commitments over various time periods in certain other ports, results in the following total contractual obligations for usage of port facilities:

	As at 30 June 2004 *US$'000* *unaudited*
Within one year	13,610
In the second and fifth year inclusive	49,709
After the fifth year	69,016
	132,335

13. SIGNIFICANT SUBSEQUENT EVENT

On 9 July 2004, NCLC announced a US$250 million 10-year Senior Notes issue. The Senior Notes issue was completed on 15 July 2004. On 16 July 2004, NCLC announced a new US$800 million six-year commercial bank facility comprising a US$300 million term loan and a US$500 million revolving credit facility. NCLC used the net proceeds of this US$1.05 billion fund raising exercise 1) to repay the term loans on m.v. Norwegian Star and m.v. Norwegian Sky, 2) to purchase m.v. SuperStar Leo from Star Cruises, and 3) to increase liquidity for general corporate purposes and new ship building.

Cash received by Star Cruises from NCLC for the purchase of m.v. SuperStar Leo was used 1) to repay the term loan on m.v. SuperStar Leo and 2) to pay down US$149.8 million of the US$450 million corporate facility.

Interim Dividend

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

Management's Discussion and Analysis

Three months ended 30 June 2004 as compared with three months ended 30 June 2003

Turnover

The Group's revenue for the three months ended 30 June 2004 was US$376.9 million, an increase of 2.2% from US$368.7 million for the three months ended 30 June 2003 despite a decrease in capacity of 13.7%. Net revenue increased by 5.5%. 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 June 2004 increased 22.3% as compared with the same quarter of 2003. Net revenue yield is defined as net revenue per capacity day. Occupancy level increased from 93.8% for the three months ended 30 June 2003 to 106.4% for the three months ended 30 June 2004. The Group's performance for the three months ended 30 June 2003 was severely affected by the impact from the Iraq conflict and the outbreak of Severe Acute Respiratory Syndrome ("SARS").

Star Cruises in Asia Pacific operated with 29.5% lower capacity days in the three months ended 30 June 2004 as compared to the three months ended 30 June 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 as Norwegian Spirit) to NCL Group in May 2004. Net revenue yield was 75.6% higher as compared with the same quarter of 2003. Occupancy level increased from 67.5% in the second quarter of 2003 to 109.2% in the same quarter of 2004.

NCL Group recorded a decrease in capacity days of 7.8% for the three months ended 30 June 2004 as compared to the three months ended 30 June 2003. The lower capacity was the result of three large ships (m.v. Norwegian Star, m.v. Norwegian Sun and m.v. Pride of Aloha) being in dry dock for a total of approximately 135,000 capacity days out of service. In the three months ended 30 June 2003, s/s Norway was removed from service at the end of May and in the three months ended 30 June 2004, m.v. Norwegian Spirit joined the NCL fleet. As two ships of roughly equal passenger capacity, the exit of one and introduction of the other had an essentially neutral effect on capacity year over year at the NCL level. Net revenue yield was 9.1% higher as compared with the same quarter of 2003. Occupancy level increased from 103.6% in the second quarter of 2003 to 105.6% in the same quarter of 2004.

Cost and expenses

Total costs and expenses before interest and non-operating items for the three months ended 30 June 2004 amounted to US$359.9 million as compared with US$378.0 million for the three months ended 30 June 2003, a reduction of US$18.1 million.

Operating expenses decreased by US$12.7 million from US$266.3 million for the three months ended 30 June 2003 to US$253.6 million for the three months ended 30 June 2004. 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 3.1% lower as compared with the same period in 2003. On a per capacity day basis, ship operating expenses were 12.4% higher as compared with the second quarter of 2003. This increase was primarily due to US$13.1 million of expenses relating to 1) continued start up costs for NCL America, 2) lay up expenses for s/s Norway and 3) custom fines on Norwegian Star resulting from necessary alterations to the ship's Hawaii/Fanning Island itinerary in response to a problem with the Azipod propulsion system. Increased costs were partially offset by lower fuel costs. Fuel costs decreased by 3.5% on a per capacity day basis for the three months ended 30 June 2004 as compared with the same period in 2003. Although the price of fuel has risen, the Group's overall fuel cost per capacity day has declined due to the withdrawal of various fuel inefficient ships, notably s/s Norway and m.v. SuperStar Aries, as well as cessation of the fuel-intensive Hawaii/Fanning Island itinerary as of April this year. In the second quarter of 2003, the Group had ship deployment costs for two megaships to Australia to mitigate the impact of SARS and net expenses in connection with s/s Norway boiler accidents.

Selling, general and administrative (SG&A) expenses increased 13.3% on a per capacity day basis as compared with the same period last year. The increased advertising expenses and start up costs to introduce the NCL America brand in Hawaii, coupled with the reduction in capacity pushed the SG&A expenses on a per capacity day basis up. In the second quarter of 2003, the Group incurred charges to streamline the Asia Pacific operations and advertised heavily the two megaships in Australia.

Depreciation and amortisation expenses decreased US$4.1 million to US$45.1 million for the three months ended 30 June 2004 as compared with US$49.2 million for the three months ended 30 June 2003 as a result of the disposal of m.v. SuperStar Capricorn and m.v. SuperStar Aries.

Management's Discussion and Analysis *(Continued)*

Operating profit / (loss)

Operating profit for the three months ended 30 June 2004 was US$17.0 million, as compared to an operating loss of US$9.3 million for the three months ended 30 June 2003.

Non-operating income / (expense)

Non-operating expenses increased by 12.8% to US$25.1 million for the three months ended 30 June 2004 as compared with US$22.3 million for the three months ended 30 June 2003. During the three months ended 30 June 2004, the Group had a non-cash loss on foreign exchange amounting to US$2.9 million as compared to a non-cash gain on foreign exchange of US$1.4 million in the second quarter of 2003. The non-cash loss resulted primarily from the strengthening of the Singapore dollar and Euro against the US dollar during the quarter. Interest expense, net of interest income and excluding capitalised interest remained flat for the three months ended 30 June 2004 and 2003, at US$22.0 million. Despite higher average outstanding debts, the net interest expense remained unchanged because of the interest capitalisation for ship construction projects and lower interest rates. Capitalised interest was US$2.0 million for the three months ended 30 June 2004 as compared with US$0.1 million for the three months ended 30 June 2003.

Loss before taxation

Loss before taxation for the three months ended 30 June 2004 was US$8.1 million as compared to US$31.6 million for the three months ended 30 June 2003.

Taxation

The Group incurred taxation expenses of US$0.9 million for the three months ended 30 June 2004 as compared with US$0.4 million for the same period in 2003.

Net loss attributable to shareholders

As a result, the Group recorded a net loss attributable to shareholders of US$9.0 million for the three months ended 30 June 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 June 2004, cash and cash equivalents increased to US$314.2 million from US$291.1 million as at 31 March 2004. The Group's business provided US$121.4 million of net cash from operations for the three months ended 30 June 2004 as compared to US$58.8 million for the three months ended 30 June 2003. The increase in net cash generated from operations was primarily due to lower interest payment and an increase in advance ticket sales during the quarter.

During the three months ended 30 June 2004, the Group's capital expenditure was approximately US$54.9 million. Approximately US$25.3 million of the capital expenditure was related to capacity expansion and US$13.0 million conversion costs for Pride of Aloha and Norwegian Spirit. The remaining was vessel refurbishments and onboard assets. In April 2004, the Group received net proceeds of approximately US$40.9 million, from the disposal of 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 drawndown of US$400 million Reducing Revolving Credit Facility. The Group made scheduled principal repayments of US$63.8 million in relation to its other long-term bank loans during the three months ended 30 June 2004. The Group drewdown US$39.7 million under the US$334.1 million Norwegian Jewel Loan for construction of the ship, Norwegian Jewel.

Restricted cash increased approximately US$26.6 million during the three months ended 30 June 2004 due to amounts withheld by the credit card processor and was at approximately US$36.6 million as at 30 June 2004.

Management's Discussion and Analysis *(Continued)*

Six months ended 30 June 2004 as compared with six months ended 30 June 2003

Turnover

The Group's revenue for the six months ended 30 June 2004 was US$767.7 million, decreased by 1.7% from US$780.7 million for the six months ended 30 June 2003 due primarily to a decrease in capacity of 10.4%. However, net revenue increased by 0.7%. Net revenue yield for the six months ended 30 June 2004 increased 12.3% as compared with the same period of 2003. Occupancy for the six months ended 30 June 2004 was 101.6%, up from 93.5% for the same period last year.

Star Cruises in Asia Pacific operated with 16.3% lower capacity days in the six months ended 30 June 2004 as compared to the six months ended 30 June 2003. Net revenue yield was 30.1% higher as compared with the same period of 2003. Occupancy for the six months ended 30 June 2004 was 91.6%, up from 68.1% for the same period last year.

NCL Group recorded a decrease in capacity days of 8.1% for the six months ended 30 June 2004 as compared to the six months ended 30 June 2003. Net revenue yield was 6.6% higher as compared with the same period of 2003. Occupancy for the six months ended 30 June 2004 was 105.1%, up from 103.1% for the same period last year.

Cost and expenses

Total costs and expenses before interest and non-operating items for the six months ended 30 June 2004 amounted to US$732.2 million as compared with US$768.7 million for the six months ended 30 June 2003.

Operating expenses decreased by US$37.7 million from US$545.7 million for the six months ended 30 June 2003 to US$508.0 million for the six months ended 30 June 2004. Ship operating expenses was 6.2% lower as compared with the same period in 2003. On a per capacity day basis, ship operating expenses were 4.6% higher as compared with the first half of 2003. This increase was primarily due to US$18.9 million of expenses relating to 1) continued start up costs for NCL America, 2) the lay up expenses for s/s Norway and 3) custom fines on Norwegian Star. Increased costs were partially offset by a decrease in the fuel costs. Fuel costs decreased by 8.7% on a per capacity day basis for the six months ended 30 June 2004 as compared with the same period in 2003. In the six months ended 30 June 2003, the Group incurred net expenses in connection with the s/s Norway boiler accident and ship deployment costs.

SG&A expenses increased 16.1% on a per capacity day basis as compared with the same period last year. The increase was primarily due to increased advertising expenses and start up costs to introduce the NCL America brand in Hawaii. In the six months ended 30 June 2003, the Group incurred charges to streamline the Asia Pacific operations and advertised heavily the two megaships in Australia.

Depreciation and amortisation expenses decreased US$3.9 million to US$93.4 million for the six months ended 30 June 2004 as compared with US$97.3 million for the six months ended 30 June 2003 as a result of the disposal of two ships mentioned above.

Operating profit

Operating profit increased by US$23.5 million to US$35.5 million for the six months ended 30 June 2004 as compared with US$12.0 million for the six months ended 30 June 2003.

Non-operating income / (expense)

Non-operating expenses increased by 9.5% to US$53.0 million for the six months ended 30 June 2004 as compared with US$48.4 million for the six months ended 30 June 2003. During the six months ended 30 June 2004, the Group had a non-cash loss on foreign exchange amounting to US$7.3 million as compared to a non-cash gain on foreign exchange of US$3.2 million in the first half 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 excluding capitalised interest reduced for the six months ended 30 June 2004 as compared with the same period last year. Interest expenses were lower primarily due to lower interest rates and capitalised interest of US$3.3 million for the six months ended 30 June 2004 as compared with US$0.1 million for the six months ended 30 June 2003.

Loss before taxation

Loss before taxation for the six months ended 30 June 2004 was US$17.5 million as compared to US$36.4 million for the six months ended 30 June 2003.

Management's Discussion and Analysis *(Continued)*

Taxation

The Group incurred taxation expenses of US$0.7 million each, for the six months ended 30 June 2004 and 2003.

Net loss attributable to shareholders

As a result, the Group recorded a net loss attributable to shareholders of US$18.2 million for the six months ended 30 June 2004.

Liquidity and capital resources

Sources and uses of funds

For the six months ended 30 June 2004, cash and cash equivalents decreased to US$314.2 million from US$377.0 million as at 31 December 2003. The Group's business provided US$161.1 million of net cash from operations for the six months ended 30 June 2004 as compared to US$77.3 million for the six months ended 30 June 2003. The increase in net cash generated from operations was primarily due to lower interest payment and an increase in advance ticket sales during the period.

During the six months ended 30 June 2004, the Group's capital expenditure was approximately US$149.5 million. Approximately US$105.8 million of the capital expenditure was related to capacity expansion and US$17.1 million conversion costs for Pride of Aloha and Norwegian Spirit. The remaining was vessel refurbishments and onboard assets. During the six months ended 30 June 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 drawndown of US$400 million Reducing Revolving Credit Facility. The Group made scheduled principal repayments of US$134.7 million in relation to its other long-term bank loans during the six months ended 30 June 2004. The Group drewdown a total of US$40.2 million under both 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 increased approximately US$5.9 million during the six months ended 30 June 2004 and was at approximately US$36.6 million as at 30 June 2004.

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, NCL 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.

Prospects

In Asia Pacific, the improved net revenue yield resulting from the disposal of the older and less cost efficient ships was more than offset the increased SG&A costs per capacity day as a result of the negative scale from the corresponding capacity reduction. This re-affirms our Asian fleet rejuvenation strategy.

The big new ships in the NCL fleet continued to perform well. The addition of m.v. Norwegian Spirit to the NCL fleet for the second half of the year, and the successful relaunch of m.v. Norwegian Sky as m.v. Pride of Aloha, will mean that the NCL Group is operating five big new ships in the second half of the year.

The new Hawaii operation commenced service on 4 July 2004 and is very well booked at high per diems for the remainder of the year and into next year. Initial operational challenges with an all-new US crew are progressively being addressed and this new trade has very encouraging potential.

Regarding m.v. Pride of America, settlement was reached in June among the shipyard, the shipyard's lenders, the insurers, the court-appointed receiver, NCL, and NCL's lenders. Repair and completion work has recommenced and the ship is now scheduled for delivery on 6 June 2005.

Other than as disclosed above and elsewhere in this interim report, 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 report for the three months ended 31 March 2004.

Interests of Directors

As at 30 June 2004, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of the Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") and in accordance with information received by the Company were as follows:

(A) Interests in the shares of the Company

	Number of ordinary shares (Notes)					Percentage
	Personal interests	Family interests	Corporate interests	Other interests	Total	of issued ordinary shares
Tan Sri Lim Kok Thay	8,068,977	4,578,489,708 *(1)*	1,950,019,759 *(2)*	4,550,131,811 *(3 and 4)*	4,586,558,685 *(5)*	86.650
Mr. Chong Chee Tut	456,205	—	—	—	456,205	0.009
Mr. William Ng Ko Seng	178,229	—	—	—	178,229	0.003
Mr. David Colin Sinclair Veitch	335,445	—	—	—	335,445	0.006

Notes:

1. Tan Sri Lim Kok Thay ("Tan Sri KT Lim") has a family interest in 4,578,489,708 ordinary shares (comprising (i) the same block of 1,908,561,862 ordinary shares directly held by Resorts World Limited ("RWL"), the same block of 13,100,000 ordinary shares directly held by Genting Overseas Holdings Limited ("GOHL") and the same block of 2,628,469,949 ordinary shares directly or indirectly held by Golden Hope Limited ("Golden Hope") as trustee of Golden Hope Unit Trust ("GHUT") in which his child and his wife, Puan Sri Wong Hon Yee ("Puan Sri Wong") have deemed interests and (ii) the same block of 28,357,897 ordinary shares directly held by Goldsfine Investments Ltd. ("Goldsfine") in which Puan Sri Wong has a corporate interest).

2. Tan Sri KT Lim is also deemed to have a corporate interest in 1,950,019,759 ordinary shares (comprising (i) the same block of 1,908,561,862 ordinary shares directly held by RWL and the same block of 13,100,000 ordinary shares directly held by GOHL by virtue of his interests in a chain of corporations holding RWL and GOHL (details of the percentage interests in such corporations are set out in the section headed "Interests of Substantial Shareholders") and (ii) the same block of 28,357,897 ordinary shares directly held by Goldsfine in which each of Tan Sri KT Lim and Puan Sri Wong holds 50% of its issued share capital).

3. Tan Sri KT Lim as founder and a beneficiary of various discretionary trusts, has a deemed interest in 4,550,131,811 ordinary shares (comprising the same block of 1,908,561,862 ordinary shares directly held by RWL, the same block of 13,100,000 ordinary shares directly held by GOHL and the same block of 2,628,469,949 ordinary shares directly or indirectly held by Golden Hope as trustee of GHUT).

4. Out of the same block of 2,628,469,949 ordinary shares directly or indirectly held by Golden Hope as trustee of GHUT, 299,600,000 ordinary shares are pledged shares.

5. There is no duplication in arriving at the total interest.

6. All the above interests represent long positions in the shares of the Company and exclude those in the underlying shares through share options or equity derivatives. Interests of the respective Directors set out in this subsection (A) need to be aggregated with their interests in the underlying shares through share options or equity derivatives of the Company set out in subsection (B) below in order to give the total interests of the respective Directors in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Directors *(Continued)*

(B) Interests in the underlying shares of the Company through share options or equity derivatives

Share options are granted to the Directors under The Star Cruises Employees Share Option Scheme adopted by the Company on 16 April 1997 prior to the listing of its ordinary shares on the Stock Exchange (the "Pre-listing Employee Share Option Scheme") and the share option scheme adopted by the Company on 23 August 2000 (as effected on 30 November 2000 and amended on 22 May 2002) (the "Post-listing Employee Share Option Scheme").

As at 30 June 2004, the Directors had personal interests in the following underlying shares of the Company held through share options granted under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme:

	Number of underlying ordinary shares	Percentage of issued ordinary shares
Tan Sri Lim Kok Thay	17,077,200	0.323
Mr. Chong Chee Tut	1,904,108	0.036
Mr. William Ng Ko Seng	1,479,008	0.028
Mr. David Colin Sinclair Veitch	3,659,400	0.069

Further details of share options granted to the Directors under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme are set out in the section headed "Share Options" below.

These interests in share options represent long positions in the underlying shares in respect of physically settled derivatives of the Company. Interests of the respective Directors set out in this subsection (B) need to be aggregated with their interests in the shares of the Company set out in subsection (A) above in order to give the total interests of the respective Directors in the Company pursuant to the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(C) Interests in the shares of WorldCard International Limited, an associated corporation of the Company

	Number of ordinary shares (Notes)					
	Personal interests	Family interests	Corporate interests	Other interests	Total	Percentage of issued ordinary shares
Tan Sri Lim Kok Thay	—	1,000,000 *(1)*	1,000,000 *(2)*	1,000,000 *(3)*	1,000,000 *(4)*	100

Notes:

1. Tan Sri KT Lim has a family interest in 1,000,000 ordinary shares (comprising (i) the same block of 500,000 ordinary shares directly held by Star Cruise (C) Limited ("SCC") and (ii) the same block of 500,000 ordinary shares directly held by Calidone Limited ("Calidone"), in both of which his child and his wife, Puan Sri Wong have deemed interests). As at 30 June 2004, SCC was a wholly-owned subsidiary of the Company which in turn was directly held by RWL as to 36.06% while Calidone was a wholly-owned subsidiary of Genting International PLC (a company listed on the Luxembourg Stock Exchange) which in turn was a 64.13% owned subsidiary of Genting Berhad through its wholly-owned subsidiary, namely GOHL.

2. Tan Sri KT Lim is also deemed to have a corporate interest in 1,000,000 ordinary shares (comprising (i) the same block of 500,000 ordinary shares directly held by SCC by virtue of his interest in a chain of corporations holding SCC (details of the percentage interests in such corporations are set out in Note (1) above and the section headed "Interests of Substantial Shareholders") and (ii) the same block of 500,000 ordinary shares directly held by Calidone by virtue of his interest in a chain of corporations holding Calidone (details of the percentage interests in such corporations are set out in Note (1) above and the section headed "Interests of Substantial Shareholders")).

3. Tan Sri KT Lim as founder and a beneficiary of various discretionary trusts, has a deemed interest in 1,000,000 ordinary shares (comprising the same block of 500,000 ordinary shares directly held by SCC and the same block of 500,000 ordinary shares directly held by Calidone).

4. There is no duplication in arriving at the total interest.

5. All the above interests represent long positions in the shares of WorldCard International Limited.

Interests of Directors *(Continued)*

(D) Interests in subsidiaries of the Company

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for other subsidiaries.

Save as disclosed above and in the sections headed "Share Options" and "Interests of Substantial Shareholders" below:

(a) as at 30 June 2004, none of the Directors or the Chief Executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and

(b) at no time during the period was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares, underlying shares or debentures in the Company or any other body corporate.

Share Options

Details of the Company's Pre-listing Employee Share Option Scheme and Post-listing Employee Share Option Scheme are set out in the published annual report of the Company for the year ended 31 December 2003. Share Options are granted to certain Directors of the Company and employees of the Group under the said schemes. Details of the movement in the share options granted under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme during the period and outstanding as at 30 June 2004 are as follows:

(A) Pre-listing Employee Share Option Scheme

	Number of options outstanding at 1/1/2004	Number of shares acquired upon exercise of options during the interim period	Number of options lapsed during the interim period	Number of options cancelled during the interim period	Number of options outstanding at 30/6/2004	Date granted	Exercise price per share	Exercisable Period
Tan Sri Lim Kok Thay	1,829,700	—	—	—	1,829,700	25/5/1998	US$0.2686	21/8/1999 - 20/8/2005
(Director)	4,421,775	—	(884,355)	—	3,537,420	24/3/1999	US$0.2686	24/3/2002 - 23/3/2009
	1,677,225	—	(335,445)	—	1,341,780	24/3/1999	US$0.4206	24/3/2002 - 23/3/2009
	1,219,800	—	—	—	1,219,800	23/10/2000	US$0.2686	23/10/2003 - 22/8/2010
	4,421,775	—	(884,355)	—	3,537,420	16/11/2000	US$0.2686	24/3/2002 - 23/3/2009
	1,677,225	—	(335,445)	—	1,341,780	16/11/2000	US$0.4206	24/3/2002 - 23/3/2009
	304,950	—	—	—	304,950	16/11/2000	US$0.2686	23/10/2003 - 22/8/2010
	15,552,450	**—**	**(2,439,600)**	**—**	**13,112,850**			
Mr. Chong Chee Tut	135,398	—	—	—	135,398	25/5/1998	US$0.2686	20/12/2000 - 19/12/2005
(Director)	76,238	—	(15,248)	—	60,990	25/5/1998	US$0.4206	23/6/2000 - 22/6/2007
	414,732	—	—	—	414,732	24/3/1999	US$0.2686	24/3/2002 - 23/3/2009
	91,485	—	(18,297)	—	73,188	24/3/1999	US$0.4206	24/3/2002 - 23/3/2009
	585,504	—	—	—	585,504	23/10/2000	US$0.2686	23/10/2003 - 22/8/2010
	24,396	—	—	—	24,396	23/10/2000	US$0.4206	23/10/2003 - 22/8/2010
	1,327,753	**—**	**(33,545)**	**—**	**1,294,208**			
Mr. William Ng Ko Seng	137,228	—	—	—	137,228	25/5/1998	US$0.2686	21/8/2000 - 20/8/2005
(Director)	30,495	(6,099)[1]	—	—	24,396	24/3/1999	US$0.2686	24/3/2002 - 23/3/2009
	121,980	—	(24,396)	—	97,584	24/3/1999	US$0.4206	24/3/2002 - 23/3/2009
	463,524	—	—	—	463,524	23/10/2000	US$0.2686	23/10/2003 - 22/8/2010
	24,396	—	—	—	24,396	23/10/2000	US$0.4206	23/10/2003 - 22/8/2010
	777,623	**(6,099)**	**(24,396)**	**—**	**747,128**			
Mr. David Colin Sinclair Veitch (Director)	**1,219,800**	**—**	**—**	**—**	**1,219,800**	7/1/2000	US$0.4206	7/1/2003 - 6/1/2010

Share Options *(Continued)*

(A) Pre-listing Employee Share Option Scheme *(Continued)*

	Number of options outstanding at 1/1/2004	Number of shares acquired upon exercise of options during the interim period	Number of options lapsed during the interim period	Number of options cancelled during the interim period	Number of options outstanding at 30/6/2004	Date granted	Exercise price per share	Exercisable Period
All other employees	4,263,204	—	—	(18,297)	4,244,907	25/5/1998	US$0.2686	21/8/1999 - 20/8/2005
	62,210	—	—	—	62,210	25/5/1998	US$0.2686	20/12/2000 - 19/12/2005
	152,475	(30,495)[2]	—	—	121,980	25/5/1998	US$0.2686	11/3/2000 - 10/3/2007
	640,395	—	(128,079)	—	512,316	25/5/1998	US$0.4206	23/6/2000 - 22/6/2007
	3,482,554	—	(719,707)	(51,842)	2,711,005	25/5/1998	US$0.4206	6/1/2000 - 5/1/2007
	17,923,870	(29,886)[3]	(3,194,498)	(622,804)	14,076,682	24/3/1999	US$0.2686	24/3/2002 - 23/3/2009
	10,271,378	—	(2,017,852)	(386,892)	7,866,634	24/3/1999	US$0.4206	24/3/2002 - 23/3/2009
	9,149	—	—	—	9,149	24/3/1999	US$0.4206	24/3/2003 - 23/3/2005
	238,473	—	(238,473)	—	—	24/3/1999	US$0.4206	24/3/2003 - 23/3/2004
	1,366,444	—	(256,794)	(160,466)	949,184	30/6/1999	US$0.2686	30/6/2002 - 29/6/2009
	2,878,199	—	(551,977)	(415,282)	1,910,940	30/6/1999	US$0.4206	30/6/2002 - 29/6/2009
	18,297	—	(18,297)	—	—	30/6/1999	US$0.4206	30/6/2003 - 29/6/2004
	2,623,668	—	—	(256,158)	2,367,510	23/10/2000	US$0.2686	23/10/2003 - 22/8/2010
	3,443,342	—	—	(234,204)	3,209,138	23/10/2000	US$0.4206	23/10/2003 - 22/8/2010
	47,373,658	**(60,381)**	**(7,125,677)**	**(2,145,945)**	**38,041,655**			
Grand Total	**66,251,284**	**(66,480)**	**(9,623,218)**	**(2,145,945)**	**54,415,641**			

Notes:

1. Exercise date was 13 March 2004. At the date before the options were exercised, the market closing value per share quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") was HK$2.250.
2. Exercise date was 5 March 2004. At the date before the options were exercised, the market closing value per share quoted on the Stock Exchange was HK$2.300.
3. At the dates before the options were exercised, the weighted average market closing value per share quoted on the Stock Exchange was HK$2.282.

HK$: Hong Kong dollars, the lawful currency of Hong Kong.

The outstanding share options under the Pre-listing Employee Share Option Scheme vest over a period of 10 years following their respective original dates of grant and generally became exercisable as to 20% and 30% of the amount granted 3 years and 4 years after the grant date, with the remaining options exercisable annually in equal tranches over the remaining option period, subject to further terms and conditions set out in the relevant offer letters and provisions of the Pre-listing Employee Share option Scheme.

(B) Post-listing Employee Share Option Scheme

	Number of options outstanding at 1/1/2004	Number of shares acquired upon exercise of options during the interim period	Number of options lapsed during the interim period	Number of options cancelled during the interim period	Number of options outstanding at 30/6/2004	Date granted	Exercise price per share	Exercisable Period
Tan Sri Lim Kok Thay (Director)	3,964,350	—	—	—	3,964,350	19/8/2002	HK$2.9944	20/8/2004 - 19/8/2012
Mr. Chong Chee Tut (Director)	609,900	—	—	—	609,900	19/8/2002	HK$2.9944	20/8/2004 - 19/8/2012
Mr. William Ng Ko Seng (Director)	731,880	—	—	—	731,880	19/8/2002	HK$2.9944	20/8/2004 - 19/8/2012
Mr. David Colin Sinclair Veitch (Director)	2,439,600	—	—	—	2,439,600	19/8/2002	HK$2.9944	20/8/2004 - 19/8/2012
All other employees	91,110,115	—	(4,610,491)	(121,980)	86,377,644	19/8/2002	HK$2.9944	20/8/2004 - 19/8/2012
	792,870	—	—	—	792,870	8/9/2003	HK$2.9944	9/9/2005 - 8/9/2013
Grand Total	**99,648,715**	**—**	**(4,610,491)**	**(121,980)**	**94,916,244**			

Share Options *(Continued)*

(B) Post-listing Employee Share Option Scheme *(Continued)*

The outstanding share options under the Post-listing Employee Share Option Scheme vest in seven tranches over a period of ten years from their respective dates of offer and become exercisable as to 30% and 20% of the amount granted commencing from two years and three years respectively after the dates of offer, with the remaining options exercisable annually in equal tranches of 10% commencing in each of the following years, subject to further terms and conditions set out in the relevant offer letters and provisions of the Post-listing Employee Share Option Scheme.

Interests of Substantial Shareholders

As at 30 June 2004, the following persons (other than the Directors or the Chief Executive of the Company) had interests or short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register required to be kept under section 336 of the SFO and in accordance with information received by the Company:

(A) Interests in the shares of the Company

	Number of ordinary shares (Notes)					Percentage
Name of shareholder (Notes)	Direct/Personal interests	Family interests	Corporate interests	Other interests	Total	of issued ordinary shares
Parkview Management Sdn Bhd (as trustee of a discretionary trust) *(1)*	—	—	1,921,661,862 *(9)*	1,921,661,862 *(11)*	1,921,661,862 *(20)*	36.30
Kien Huat Realty Sdn Bhd *(2)*	—	—	1,921,661,862 *(9)*	—	1,921,661,862	36.30
Genting Berhad *(3)*	—	—	1,921,661,862 *(9)*	—	1,921,661,862	36.30
Resorts World Bhd *(4)*	—	—	1,908,561,862 *(10)*	—	1,908,561,862	36.06
Sierra Springs Sdn Bhd *(5)*	—	—	1,908,561,862 *(10)*	—	1,908,561,862	36.06
Resorts World Limited *(5)*	1,908,561,862	—	—	—	1,908,561,862	36.06
GZ Trust Corporation (as trustee of various discretionary trusts) *(6)*	—	—	396,104,835 *(12)*	2,628,469,949 *(13,15 and 19)*	2,628,469,949 *(20)*	49.66
Golden Hope Limited (as trustee of Golden Hope Unit Trust) (7)	—	—	396,104,835 *(12)*	2,628,469,949 *(14 and 19)*	2,628,469,949 *(20)*	49.66
Joondalup Limited *(8)*	396,104,835	—	—	—	396,104,835	7.48
Puan Sri Wong Hon Yee	—	4,586,558,685 *(16(a))*	28,357,897 *(16(b))*	299,600,000 *(19)*	4,586,558,685 *(20)*	86.65
Tan Sri Lim Goh Tong	—	2,633,776,949 *(17(a))*	—	2,628,469,949 *(17(b) and 19)*	2,633,776,949 *(20)*	49.76
Puan Sri Lee Kim Hua	5,307,000	2,628,469,949 *(18(a))*	—	2,628,469,949 *(18(b) and 19)*	2,633,776,949 *(20)*	49.76

Notes:

1. Parkview Management Sdn Bhd ("Parkview") is a trustee of a discretionary trust (the "Discretionary Trust"), the beneficiaries of which include certain members of Tan Sri Lim Goh Tong's family (the "Lim Family"). As at 30 June 2004, Tan Sri Lim Kok Thay ("Tan Sri KT Lim") controlled 33.33% of the equity interest in Parkview.

2. Kien Huat Realty Sdn Bhd ("KHR") is a private company of which the Discretionary Trust, through Aranda Tin Mines Sdn Bhd, Infomark (Malaysia) Sdn Bhd, Inforex Sdn Bhd, Dataline Sdn Bhd and Info-Text Sdn Bhd (all of which were 100% held by Parkview as trustee of the Discretionary Trust) controlled an aggregate of 100% of its equity interest as at 30 June 2004.

3. Genting Berhad ("GB"), a company listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") of which KHR controlled 41.44% of its equity interest as at 30 June 2004.

Interests of Substantial Shareholders *(Continued)*

(A) Interests in the shares of the Company *(Continued)*

4. Resorts World Bhd ("RWB"), a company listed on Bursa Malaysia of which GB controlled 56.79% of its equity interest as at 30 June 2004.

5. Resorts World Limited ("RWL") is a wholly-owned subsidiary of Sierra Springs Sdn Bhd ("Sierra Springs") which is in turn a wholly-owned subsidiary of RWB.

6. GZ Trust Corporation ("GZ") is the trustee of various discretionary trusts (the "Various Discretionary Trusts") established for the benefit of certain members of the Lim Family. GZ as trustee of the Various Discretionary Trusts holds 100% of the units in Golden Hope Unit Trust ("GHUT"), a private unit trust.

7. Golden Hope Limited ("Golden Hope") is the trustee of GHUT.

8. Joondalup Limited ("Joondalup") is wholly-owned by Golden Hope as trustee of GHUT.

9. Each of Parkview as trustee of the Discretionary Trust, KHR and GB has a corporate interest in 1,921,661,862 ordinary shares (comprising the same block of 1,908,561,862 ordinary shares held directly by RWL and the same block of 13,100,000 ordinary shares held directly by Genting Overseas Holdings Limited ("GOHL"), a wholly-owned subsidiary of GB).

10. Each of RWB and Sierra Springs has a corporate interest in the same block of 1,908,561,862 ordinary shares held directly by RWL.

11. The interest in 1,921,661,862 ordinary shares is held by Parkview in its capacity as trustee of the Discretionary Trust and it comprises the same block of 1,908,561,862 ordinary shares held directly by RWL and the same block of 13,100,000 ordinary shares held directly by GOHL.

12. Each of GZ as trustee of the Various Discretionary Trusts and Golden Hope as trustee of GHUT has a corporate interest in the same block of 396,104,835 ordinary shares held directly by Joondalup.

13. GZ in its capacity as trustee of the Various Discretionary Trusts has a deemed interest in the same block of 2,628,469,949 ordinary shares held by Golden Hope as trustee of GHUT (out of which 2,232,365,114 ordinary shares are directly held by Golden Hope as trustee of GHUT and 396,104,835 ordinary shares are held indirectly through Joondalup).

14. The interest in 2,628,469,949 ordinary shares is held by Golden Hope in its capacity as trustee of GHUT (out of which 2,232,365,114 ordinary shares are directly held by Golden Hope as trustee of GHUT and 396,104,835 ordinary shares are held indirectly through Joondalup).

15. GZ as trustee of the Various Discretionary Trusts which holds 100% of the units in GHUT is deemed to have interest in the same block of 2,628,469,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT in its capacity as beneficiary of GHUT.

16. (a) Puan Sri Wong Hon Yee ("Puan Sri Wong") as the spouse of Tan Sri KT Lim, has a family interest in the same block of 4,586,558,685 ordinary shares in which Tan Sri KT Lim has a deemed interest. These interests do not include the deemed interests of Puan Sri Wong in the underlying shares of the Company through share options held personally by Tan Sri KT Lim and need to be aggregated with such interests set out in subsection (B) below to give the total interests of Puan Sri Wong pursuant to the SFO.

    (b) Puan Sri Wong also has a corporate interest in 28,357,897 ordinary shares held directly by Goldsfine by holding 50% of its equity interest as at 30 June 2004.

17. (a) Tan Sri Lim Goh Tong ("Tan Sri GT Lim") as the spouse of Puan Sri Lee Kim Hua ("Puan Sri Lee"), has a family interest in 2,633,776,949 ordinary shares (comprising 5,307,000 ordinary shares held personally by Puan Sri Lee and the same block of 2,628,469,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT in which Puan Sri Lee has a deemed interest).

    (b) Tan Sri GT Lim as founder of various discretionary trusts, has a deemed interest in the same block of 2,628,469,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT.

18. (a) Puan Sri Lee as the spouse of Tan Sri GT Lim, has a family interest in the same block of 2,628,469,949 ordinary shares in which Tan Sri GT Lim has a deemed interest.

    (b) Puan Sri Lee is also deemed to have interest in the same block of 2,628,469,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT in her capacity as founder of a discretionary trust.

19. Out of the same block of 2,628,469,949 ordinary shares held directly or indirectly by Golden Hope as trustee of GHUT, 299,600,000 ordinary shares are pledged shares.

20. There is no duplication in arriving at the total interest.

21. All these interests represent long positions in the shares of the Company and exclude those in the underlying shares through share options or equity derivatives.

Interests of Substantial Shareholders *(Continued)*

(B) Interests in the underlying shares of the Company through share options or equity derivatives

Name of shareholder	Number of underlying ordinary shares	Percentage of issued ordinary shares
Puan Sri Wong Hon Yee	17,077,200 (Note)	0.323

Note:

Puan Sri Wong Hon Yee as the spouse of Tan Sri KT Lim, is deemed to have a family interest in 17,077,200 underlying ordinary shares of the Company by virtue of the share options granted to Tan Sri KT Lim under the Pre-listing Employee Share Option Scheme and the Post-listing Employee Share Option Scheme. These interests represent long positions in the underlying shares in respect of physically settled derivatives of the Company and need to be aggregated with her interests set out in subsection (A) above to give her total interests pursuant to the SFO.

Save as disclosed above and in the sections headed "Interests of Directors" and "Share Options" above, as at 30 June 2004, there were no other persons who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

General Disclosure pursuant to the Listing Rules

Pursuant to Rules 13.18 and 13.21 of the Listing Rules, the Company discloses the following information.

(i) Loan Agreements of the Group

As at 30 June 2004, the Group was a party to thirteen loan agreements for an aggregate principal amount of approximately US$4.1 billion, of which US$2.6 billion has been drawndown, with terms ranging from five to sixteen years from the dates of these agreements.

In July 2004, the Group entered into a new loan facility agreement for an aggregate principal amount of US$800 million (the "US$800 million Loan Facility"). In conjunction with the creation of the US$800 million Loan Facility, the US$500 million revolving credit facility entered into in April 2004 has not been drawn down and has been cancelled.

Currently, the Group is a party to thirteen loan agreements for an aggregate principal amount of approximately US$4.4 billion, of which US$2.6 billion has been drawndown, with terms ranging from six to sixteen years from the dates of these agreements. Five of these agreements require the Lim Family (or the Lim Family and/or the Lim Family through its indirect shareholding in Resorts World Bhd) to control (directly or indirectly) together or individually, the Company and beneficially own (directly or indirectly) at least 51% of the issued share capital of, and equity interest in the Company during the terms of these loans. The other eight agreements require the Lim Family to control (directly or indirectly) together or individually, NCL Corporation Ltd. ("NCLC"), a direct wholly-owned subsidiary of the Company, and beneficially own (directly or indirectly) at least 51% of the issued share capital of, and equity interest in NCLC during the terms of these loans. In the event that the shares of NCLC are listed on an approved stock exchange, if: (i) a third party owns or gains control of more than 33% of the voting stock of NCLC and the Lim Family ceases together or individually, to control (directly or indirectly) NCLC and beneficially own (directly or indirectly) at least 51% of the issued share capital of, and equity interest in NCLC; or (ii) without the prior written consent of the agent, NCLC ceases to be listed on an approved stock exchange (in the case the US$800 million Loan Facility, in the event that the shares of NCLC are listed on an approved stock exchange, if: (i) two or more persons acting in concert or any individual person acquires (a) legally and/or beneficially and either directly or indirectly at least 33% of the issued share capital of NCLC or (b) the right or ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors (or its equivalent) of NCLC; and the Lim Family ceases to own (legally and/or beneficially and either directly or indirectly) at least 51% of the issued share capital of NCLC; or (ii) NCLC ceases to be listed on an approved stock exchange), this will constitute an event of default under the relevant loan agreements.

(ii) Convertible Bonds of the Company

Pursuant to the Trust Deed dated 20 October 2003 constituting the US$180 million 2% Convertible Bonds of the Company, the Convertible Bonds may be redeemed at the option of the Bondholders prior to their maturity on 20 October 2008 when any person or persons, other than Genting Berhad, Golden Hope Limited, Resorts World Bhd or any of their affiliates, acquires control of more than 50% of the voting rights of the issued share capital of the Company.

(iii) Senior Notes of NCL Corporation Ltd.

Pursuant to the Indenture dated 15 July 2004 constituting the US$250 million 10.625% Senior Notes of NCLC, holders of the Senior Notes have the right to require NCLC to repurchase all or a portion of the Senior Notes prior to their maturity on 15 July 2014 when any person or group of related persons, other than Tan Sri Lim Goh Tong, Golden Hope Limited as trustee of the Golden Hope Unit Trust or Genting Berhad and any affiliate or related person thereof (together the "Permitted Holders"), beneficially owns or controls more than 40% of the voting stock of NCLC if at such time the Permitted Holders beneficially own or control less of the voting stock of NCLC than such person.

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 six months ended 30 June 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 The Formation of An Audit Committee" published by 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. This interim report has been reviewed by the Audit Committee.

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 six months ended 30 June 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 Bye-laws of the Company.

On behalf of the Board

Tan Sri Lim Kok Thay
Chairman, President and Chief Executive Officer

Hong Kong, 18 August 2004