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

**DISCLOSEABLE TRANSACTION
WITH ALLIANCE GLOBAL GROUP, INC.
TO JOINTLY DEVELOP AND OPERATE HOTEL
AND CASINO COMPLEXES IN THE REPUBLIC OF PHILIPPINES**

Financial adviser



Star Cruises Limited and Alliance Global Group, Inc. have entered into a number of agreements, and through the proposed investment in Travellers to jointly develop and operate hotel and casino complexes in the Philippines as described below.

Under the Transaction Documents, Travellers will participate in the development of two tourism projects in the Philippines namely Newport City Project and Bagong Nayong Pilipino Entertainment City Manila Project.

As the applicable percentage ratios in relation to the Transactions represent more than 5% and less than 25%, the Transactions constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

1. BACKGROUND

Reference is made to the announcements of the Company dated 2 April 2008 and 12 June 2008 in relation to the cooperation with AGI to jointly develop and operate hotel and casino complexes in the Philippines.

The Board is pleased to announce that on 31 July 2008, the Company entered into a number of agreements to acquire, through its wholly-owned subsidiaries, an aggregate of 50% (direct and indirect) interests in the share capital of Travellers for a total consideration of US\$335 million to pursue strategic and collaborative arrangements in relation to the development and operation of hotel and casino complexes in the Philippines as further described below.

AGI is a Philippine conglomerate with its shares listed on the Philippine Stock Exchange and principally engaged through its subsidiaries in the businesses of property development, food & beverage and quick service restaurants. On 2 June 2008, PAGCOR, the government corporation authorized to license casinos in the Philippines, issued a Provisional License in favor of Travellers, a subsidiary of AGI. The Provisional License authorises Travellers to participate in the development of a portion of the Newport City Project (as defined in section headed "Information on the Projects" below) and the Bagong Nayong Pilipino Entertainment City Manila Project which is part of a larger scale integrated tourism project envisioned by PAGCOR.

Further details of the transactions contemplated under the Agreements are set out below :

2. THE PREMIUM TRAVELLERS DEED

Date : 31 July 2008

Parties : (i) Ample Winner
(ii) the Company
(iii) MPIL
(iv) AGI

Buyer : Ample Winner

Seller : MPIL

Guarantors : AGI and the Company

Pursuant to the Premium Travellers Deed, Ample Winner has agreed to acquire the entire interest in Premium Travellers from MPIL and a shareholder's loan advanced by MPIL to Premium Travellers for an aggregate purchase price of US\$50 million (the "Purchase Price"). The Purchase Price will be financed by internal resources of the Company. The Purchase Price is payable to MPIL on the date which is 90 days after the commencement of the casino operations in Site B. The shares being acquired by Ample Winner in Premium Travellers (the "Premium Shares") will be held in escrow pending payment of the Purchase Price at which time the Premium Shares will be registered in the name of Ample Winner.

Pursuant to the terms of the Premium Travellers Deed, AGI and the Company have agreed to guarantee unconditionally and irrevocably as primary obligors the due performance by MPIL (in the case of AGI) and Ample Winner (in the case of the Company) of their respective obligations, warranties, undertakings and indemnities contained in the Premium Travellers Deed.

Premium Travellers is an investment holding company and owns 7.4% of Travellers. The consideration under the Premium Travellers Deed is calculated in proportion to the aggregate consideration of US\$335 million payable by the Company for an attributable interests of 50% in Travellers and the 7.4% interest in Travellers owned by Premium Travellers upon Completion.

3. THE ASIAN TRAVELLERS DEED

Date : 31 July 2008

Parties : (i) Ample Winner
(ii) the Company
(iii) MPIL
(iv) AGI

Buyer : Ample Winner

Seller : MPIL

Guarantors : AGI and the Company

Pursuant to the Asian Travellers Deed, Ample Winner has acquired the entire interest in Asian Travellers from MPIL and a shareholder's loan advanced by MPIL to Asian Travellers for an aggregate purchase price of US\$85 million, which was financed by internal resources of the Company.

Pursuant to the terms of the Asian Travellers Deed, AGI and the Company have agreed to guarantee unconditionally and irrevocably as primary obligors the due performance by MPIL (in the case of AGI) and Ample Winner (in the case of the Company) of their respective obligations, warranties, undertakings and indemnities contained in the Asian Travellers Deed.

Asian Travellers is an investment holding company and owns 12.6% of Travellers. The consideration under the Asian Travellers Deed is calculated in proportion to the aggregate consideration of US\$335 million payable by the Company for an attributable interests of 50% in Travellers and the 12.6% interest in Travellers owned by Asian Travellers upon Completion.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, MPIL and its ultimate beneficial owners are third parties independent of the Company and any connected persons of the Company.

3.1 Conditions precedent of the Premium Travellers Deed and the Asian Travellers Deed

Completion of the Premium Travellers Deed and the Asian Travellers Deed is conditional upon, amongst other things, the following conditions being satisfied or waived by Ample Winner on or before 31 July 2008:

- (a) full compliance by MPIL and AGI with all laws and relevant regulatory requirements, including but not limited to the relevant rules of the Philippines Listing Rules, relevant to the performance by each of them of their respective obligations, including the publication of any Stock Exchange announcements;
- (b) completion by Ample Winner of a due diligence exercise satisfactory to Ample Winner in relation to the status and affairs of Premium Travellers, Asian Travellers and Travellers;
- (c) the Provisional License not having been revoked or cancelled;
- (d) all necessary governmental approvals, consents, notifications and filings required to be obtained or made in connection with the transactions contemplated in the respective Premium Travellers Deed and the Asian Travellers Deed including but not limited to the Securities and Exchange Commission of the Philippines and PAGCOR having been obtained and all such approvals not having been revoked or cancelled;
- (e) all of the conditions precedent in the other Transaction Documents (other than any conditions precedent relating to the satisfaction or waiver of the conditions precedent in the respective Premium Travellers Deed and the Asian Travellers Deed) being satisfied or waived thereof; and
- (f) no material breach of the Premium Travellers Deed and the Asian Travellers Deed having occurred.

3.2 Completion

Completion of the Premium Travellers Deed shall take place 90 days after the commencement of the casino operations in Site B. Completion of Asian Travellers Deed took place on 31 July 2008.

4. SHARE PURCHASE AND SUBSCRIPTION AGREEMENT

Date : 31 July 2008

Parties : (i) AGI
(ii) Adams
(iii) SCP Holdings
(iv) the Company
(v) Travellers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, AGI, Adams and Travellers and their ultimate beneficial owners are third parties independent of the Company and any connected persons of the Company.

4.1 Sale and purchase

Pursuant to the Share Purchase and Subscription Agreement, AGI has sold and SCP Holdings has purchased 2,000,000,000 shares of Travellers, representing 20% of the enlarged issued share capital of Travellers (the "Sale Shares").

4.2 Subscription

Pursuant to the Share Purchase and Subscription Agreement, SCP Holdings has subscribed for 400,000,000 shares of Adams, representing 40% of the enlarged issued share capital of Adams (the "Subscription Shares").

Adams is a company authorized to engage in the real estate business and with power to invest in other companies.

Adams has subscribed for new shares in Travellers so as to own 25% of Travellers' total outstanding capital stock after such subscription. Accordingly, the Company through such subscription in Adams, owns an effective attributable interest of 10% in Travellers.

4.3 Consideration

SCP Holdings paid an aggregate consideration of US\$200,000,000 for the Sale Shares and the Subscription Shares, which is allocated as follows:

- (a) The price paid to AGI by SCP Holdings for the Sale Shares was one Peso (₱1.00) per Sale Share, or an aggregate purchase price of ₱2,000,000,000 (approximately US\$45.3 million), (the “Purchase Price”).
- (b) The price paid for the Subscription Shares was an amount (in Pesos) equal to the difference between the Peso equivalent of US\$200,000,000 and the Purchase Price (the “Subscription Price”).

The aggregate consideration of US\$200 million is calculated in proportion to the aggregate consideration of US\$335 million payable by the Company for an attributable interest of 50% in Travellers and the 30% interest (direct and indirect) in Travellers to be acquired under the Share Purchase and Subscription Agreement. The remaining balance of US\$100,000,000 was financed by internal resources of the Company. As announced by the Company on 12 June 2008, the Company had paid AGI a deposit of US\$100,000,000 (the “Deposit”) and on the Closing Date (as defined in paragraph 4.5 (*Closing*) below), AGI remitted the Deposit to Travellers, as partial payment made by SCP Holdings to Adams in respect of the Subscription Price.

4.4 Conditions precedent

Completion of the Share Purchase and Subscription Agreement is conditional upon, amongst other things, the following conditions being satisfied or waived by SCP Holdings:

- (a) Travellers and Adams shall have taken all steps necessary or desirable to remedy (to the reasonable satisfaction of SCP Holdings and its advisers) any issues identified during the financial and legal due diligence conducted by SCP Holdings and its advisers on Travellers, Adams and the Sale Shares to cover the period ending 31 July 2008;
- (b) The Provisional License shall be in full force and effect, and no event which constitutes (or which, with the giving of notice, lapse of time, or both, would constitute) an event of default under or breach of the Provisional License shall have occurred or is likely to occur;

- (c) Adams shall subscribe for new shares in Travellers so as to own 25% of Travellers' total outstanding capital stock after such subscription;
- (d) Travellers and Stellar (or such other person or entity affiliated to SCP Holdings) shall have entered into the Operations and Management Agreement; and
- (e) the Transaction Documents shall have been duly entered into by each of the parties thereto, and any and all conditions precedent to their effectiveness and (if applicable) the completion of the transactions contemplated thereby (other than the conditions under the Share Purchase and Subscription Agreement) shall have been fulfilled (or waived by the party entitled to require their satisfaction, as the case may be).

4.5 Closing

The conditions precedent as set out in the Share Purchase and Subscription Agreement have been satisfied and the completion of the sale and purchase of the Sale Shares and the subscription for the Subscription Shares under Share Purchase and Subscription Agreement took place simultaneously on 31 July 2008.

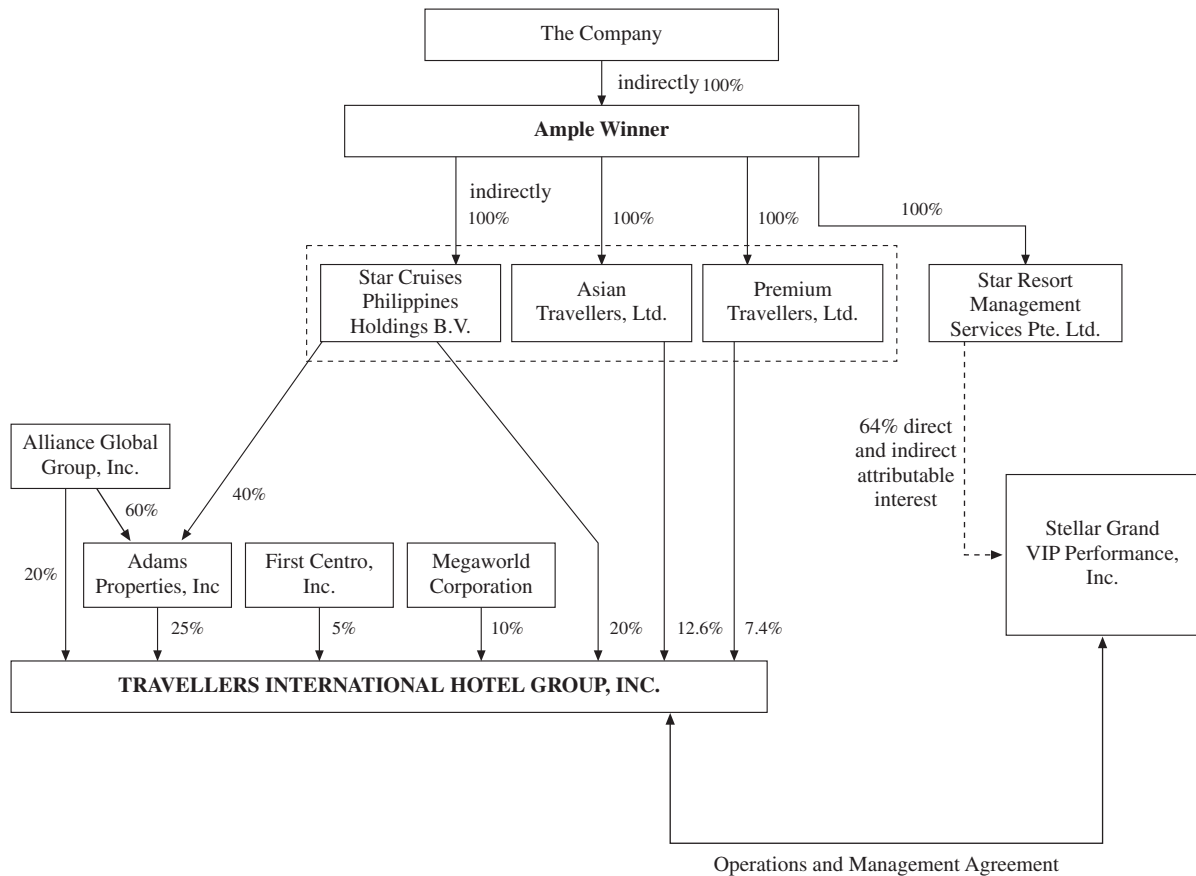
4.6 Development of Site B

- (a) Travellers is required to complete the development of the unfinished portion of Site B (including the development of the hotel and entertainment complex thereon but excluding gaming and auxiliary equipment and gaming furniture and fixtures) no later than 31 December 2009 (or such other period mutually agreed upon by AGI, Adams, SCP Holdings and the Company) at an aggregate cost not exceeding the Peso equivalent of US\$150,000,000 (the "Aggregate Ceiling Cost"), which will be funded by the Subscription Price paid by SCP Holdings to AGI pursuant to the Share Purchase and Subscription Agreement. Any funding required to complete the development of Site B in excess of the Aggregate Ceiling Cost shall be provided solely by AGI at no cost or recourse to Travellers, Adams or SCP Holdings. However, AGI, Adams, SCP Holdings and the Company are currently revising the plans, and the implementation of the contemplated changes may involve the incurring of costs in excess of the Aggregate Ceiling Cost (which excess costs shall be for the account of Travellers) or extension of the construction completion deadlines set forth above. To the extent any further funding is needed, AGI shall procure that Travellers obtain financing from third party financiers on such terms as AGI and SCP Holdings may agree on.

- (b) Notwithstanding paragraph 4.6(a) above, if Travellers decides to construct the “Maxims” boutique hotel on Site B, the Company shall (either directly or through SCP Holdings) arrange financing for its construction, if so required. Any such loans or other credit facilities shall be repaid before Travellers declares or pays any dividend (or otherwise makes any distribution or payment) to its shareholders.
- (c) AGI shall complete the development and construction of the office building in a bare shell condition located on Site B no later than 31 December 2009 at its own cost and expense.

5. CORPORATE STRUCTURE

The following diagram illustrates the simplified corporate structure of Travellers immediately after Completion:



Note: To the best of the Directors’ knowledge, Megaworld Corporation is approximately 46% owned by AGI and First Centro is 100% owned by AGI.

Upon Completion, the Company will acquire an effective attributable interest of 50% in the then outstanding capital stock of Travellers. The Company will treat Travellers as an associated company in its financial statements.

6. THE TRAVELLERS SHAREHOLDERS' AGREEMENT

Date : 31 July 2008

Parties : (i) SCP Holdings
(ii) Premium Travellers
(iii) Asian Travellers
(iv) AGI
(v) Megaworld
(vi) First Centro
(vii) Adams
(viii) Travellers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, AGI, Megaworld, First Centro, Adams and their respective ultimate beneficial owners are third parties independent of the Company and any connected persons of the Company.

6.1 Corporate Purpose

Travellers has been organised for the purpose of engaging in the business of hotels, inns, apartments, leisure parks, entertainment centers and other tourist-oriented or leisure-oriented establishments and/or places and such other allied businesses necessary or connected therewith as well as operating, managing and/or maintaining any and all services and facilities incident or necessary thereto and all other businesses appurtenant, allied or complimentary thereto, either alone or in conjunction with others, with power to own, lease, operate, conduct, manage or maintain casino. Travellers may also engage in such other businesses or activities as may from time to time be authorized and agreed upon in writing by its shareholders, including (subject to the shareholders' agreement on definitive terms and conditions) an investment in another Philippine joint venture company to be established (the "BNP City JV") which will develop a hotel and casino complex within Site A and the infrastructure required for such project (without engaging in the actual operation and management of such hotel and casino).

Subject to applicable laws and regulations and the shareholders' agreement on the definitive terms and conditions of Travellers' possible investment in the BNP City JV, the BNP City JV will be organized as a joint venture corporation between Travellers and SCP Holdings (or such other affiliate designated by the Company), with Travellers and SCP Holdings (or such other affiliate of the Company) owning sixty percent (60%) and forty percent (40%) of the BNP City JV, respectively.

Subject to applicable laws and regulations, Travellers and SCP Holdings (or such other affiliate of the Company) shall enter into a shareholders' agreement in relation to the BNP City JV on substantially the same terms and conditions as those set out in the Travellers Shareholders' Agreement within 30 days from the execution of a lease contract over Site A between PAGCOR and Travellers on such terms reasonably acceptable to SCP Holdings. Such shareholders' agreement shall include the irrevocable grant by Travellers to SCP Holdings or such other affiliate of the Company of a call option to acquire from Travellers such number of shares held by Travellers in the BNP City JV such that SCP Holdings and/or the Company's affiliate(s) shall, to the extent permitted by applicable law, have a direct holding of up to seventy-five per cent (75%) of the issued share capital of the BNP City JV or such other shareholding structure as mutually agreed upon by the parties. The option will be exercisable at any time upon the occurrence of any change in applicable laws or regulations permitting non-Philippine nationals to own or hold more than forty percent (40%) of the shares in a company engaged in any form of gambling activities.

To the extent that the establishment of the BNP City JV and/or any future investments in BNP City JV by the Company constitute a notifiable transaction, the Company will comply with the relevant requirements under the Listing Rules.

6.2 Board of directors of Travellers

The board of directors of Travellers shall be comprised of five directors. Unless the AGI Parties or the SCL Parties transfer or otherwise are unable to maintain their ownership of such number of shares as will permit them to nominate the number of directors set out herein, AGI shall be entitled to nominate three directors and SCP Holdings shall be entitled to nominate two directors.

6.3 Right of first offer and right of first refusal

Any shareholder of Travellers (the "Selling Shareholder") may transfer all or any portion of its shares to a third party in accordance with the following procedure:

Right of First Offer

The Selling Shareholder has to first give notice (the "Sale Notice") to Travellers and to the other Shareholder Group (each shareholder of the other Shareholder Group, a "Non-Selling Shareholder") of its intention to sell

shares (the “Offered Shares”). If the Non-Selling Shareholder desires to purchase all (but not less than all) of the Offered Shares, it shall provide notice thereof, including in its notice (the “Offer Notice”), the proposed price and terms and conditions for such purchase (the “Offer to Purchase”) within 40 Business Days from the receipt of the Sale Notice (the last day of such 40 Business Day period, the “Cut-Off Date”) and the Selling Shareholder has 40 Business Days from the date of receipt of such Offer Notice (the last day of such 40 Business Day period, the “Second Cut-Off Date”) to accept the Offer to Purchase and to provide a notice of acceptance (the “Acceptance Notice”) to the Non-Selling Shareholder.

Right of First Refusal

If the Non-Selling Shareholder shall not have purchased the Offered Shares, the Selling Shareholder may sell all (but not less than all) of the Offered Shares to a third person (the “Transferee”); *provided*, that the price and the terms and conditions of any sale to the Transferee (the “Transferee Terms”) as set forth in the Transferee’s offer to the Selling Shareholder (the “Transferee Offer Notice”), a copy of which shall be delivered by the Selling Shareholder to the Non-Selling Shareholder within 10 Business Days from the Second Cut-Off Date (or from the Cut-Off Date, if the non-Selling Shareholder has not delivered the Offer Notice to the Selling Shareholder by the Cut-Off Date), shall be comparable to and in any event no more favourable to the Transferee than the Offer to Purchase and that the proposed sale of the Offered Shares to the Transferee shall be contingent upon compliance with the applicable provisions of the Travellers Shareholders’ Agreement.

If the Non-Selling Shareholder desires to purchase the Offered Shares pursuant to the Transferee Terms, it shall provide notice to the Selling Shareholders and Travellers (the “Transferee Terms Acceptance Notice”) within 40 Business Days from the date of receipt of the Transferee Offer Notice. If the Non-Selling Shareholder does not deliver the Transferee Terms Acceptance Notice within the specific period provided, then the Selling Shareholder may, subject to the provisions under the “Tag along rights” below, sell the Offered Shares to the Transferee on the Transferee Terms within 60 Business Days from the Second Cut-Off Date (or the Cut-Off Date, as the case may be).

6.4 Tag-Along Rights

Any Non-Selling Shareholder shall be entitled to exercise the right (the “Tag-Along Right”), by giving written notice to the Selling Shareholder (the “Tag-Along Notice”) any time within 60 Business Days from the Cut-Off Date or the Second Cut-Off Date (as the case may be), to require the Selling Shareholder to acquire a number of shares owned by the Non-Selling Shareholder (the “Tag-Along Shares”), upon the same terms and conditions set out in the Transferee Offer Notice, such that the total number of shares to be transferred to the Transferee shall be comprised of a number of Tag-Along Shares and Offered Shares that bear the same ratio to each other as did the shares respectively held by the Selling Shareholder and the Non-Selling Shareholder as of the date of the Tag-Along Notice and that the Offered Shares shall be decreased by the corresponding number of Tag-Along Shares.

The periods within which any shareholder of Travellers must exercise any of its rights as set out in paragraphs 6.3 above and this paragraph 6.4 shall be extended by such period necessary to enable such shareholder to comply with the applicable rules and regulations of any stock exchange on which securities issued by such shareholder (or its affiliates) are listed.

Save for any default by the Non-Selling Shareholder, the Selling Shareholder shall not be entitled to complete any transfer to a Transferee unless, contemporaneously, the Transferee completes the acquisition of the Tag-Along Shares.

However, if the Non-Selling Shareholders do not exercise their Tag-Along Rights within the specific period provided, then the Selling Shareholders is free to transfer the Offered Shares to the Transferee; provided, that such Transferee shall agree in writing to be bound by the terms and conditions of the Travellers Shareholders’ Agreement or any other agreements as may then be in force and effect between and among the shareholders of Travellers.

The right of first offer, the right of first refusal and the tag-along rights (as set out above) shall not apply to any transfer of shares in Travellers by AGI pursuant to the Call Option Agreement.

Any transfer of shares in Travellers or of any rights in the shares in Travellers shall be subject to, amongst other things, the applicable laws and regulations (including but not limited to the Listing Rules). To the extent that the exercise of the right of first offer, right of first refusal or the tag-along rights by the relevant shareholders constitutes a notifiable transaction of the Company, the Company will comply with the relevant requirements under the Listing Rules.

7. ADAMS SHAREHOLDERS' AGREEMENT

Date : 31 July 2008

Parties : (i) SCP Holdings
(ii) AGI
(iii) Adams

7.1 Corporate Purpose

Adams has been organised primarily for the purpose of engaging in the business of acquiring by purchase, lease, donation or otherwise to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, and to construct, improve, manage or otherwise dispose of lots, houses and lots, as well as condominium units, buildings, townhouses and other structures of whatever kind and description, together with any and all their appurtenances. Unless otherwise agreed by the shareholders, Adams shall not engage in any business or activities other than holding shares in the capital stock of Travellers.

7.2 Board of directors of Adams

The board of directors of Adams shall be comprised of five directors. Unless either shareholder transfers or otherwise is unable to maintain its ownership of such number of shares as will permit it to nominate the number of directors set out herein, AGI shall be entitled to nominate three directors and SCP Holdings shall be entitled to nominate two directors.

7.3 Right of first offer and right of first refusal

Any shareholder of Adams (the "Adams Selling Shareholder") may transfer all or any portion of its shares to a third party in accordance with the following procedure:

Right of First Offer

The Adams Selling Shareholder has to first give notice (the "Adams Sale Notice") to Adams and to the other shareholder (the "Non-Selling Adams Shareholder") of its intention to sell shares (the "Adams Offered Shares"). If the Non-Selling Adams Shareholder desires to purchase all (but not less than all) of the Adams Offered Shares, it shall provide notice thereof, including in its notice (the "Adams Offer Notice"), the proposed price and terms and conditions for such purchase (the "Adams Offer to Purchase") within 40 Business Days from the receipt of the Adams Sale Notice (the last day of such 40 Business Day period, the "Adams Cut-Off Date") and the Adams Selling Shareholder has 40 Business Days from the date of receipt of such Adams Offer Notice (the last day of such 40 Business Day period, the "Adams Second Cut-Off Date") to accept the Adams Offer to Purchase and to provide a notice of acceptance (the "Adams Acceptance Notice") to the Non-Selling Adams Shareholder.

Right of First Refusal

If the Non-Selling Adams Shareholder shall not have purchased the Adams Offered Shares, the Adams Selling Shareholder may sell all (but not less than all) of the Adams Offered Shares to a third person (the “Adams Transferee”); *provided*, that the price and the terms and conditions of any sale to the Adams Transferee (the “Adams Transferee Terms”) as set forth in the Adams Transferee’s offer to the Adams Selling Shareholder (the “Adams Transferee Offer Notice”), a copy of which shall be delivered by the Adams Selling Shareholder to the Non-Selling Adams Shareholder within 10 Business Days from the Adams Second Cut-Off Date (or from the Adams Cut-Off Date, if the non-Selling Adams Shareholder has not delivered the Adams Offer Notice to the Adams Selling Shareholder by the Adams Cut-Off Date), shall be comparable to and in any event no more favourable to the Adams Transferee than the Adams Offer to Purchase and that the proposed sale of the Adams Offered Shares to the Adams Transferee shall be contingent upon compliance with the applicable provisions of the Adams Shareholders’ Agreement.

If the Non-Selling Adams Shareholder desires to purchase the Adams Offered Shares pursuant to the Adams Transferee Terms, it shall provide notice to the Adams Selling Shareholders and Adams (the “Adams Transferee Terms Acceptance Notice”) within 40 Business Days from the date of receipt of the Adams Transferee Offer Notice. If the Adams Non-Selling Shareholder does not deliver the Adams Transferee Terms Acceptance Notice within the specific period provided, then the Adams Selling Shareholder may, subject to the provisions under the “Tag along right” below, sell the Adams Offered Shares to the Adams Transferee on the Adams Transferee Terms within 60 Business Days from the Adams Second Cut-Off Date (or the Adams Cut-Off Date, as the case may be).

7.4 Tag-Along Rights

Any Non-Selling Adams Shareholder shall be entitled to exercise the right (the “Adams Tag-Along Right”), by giving written notice to the Adams Selling Shareholder (the “Adams Tag-Along Notice”) any time within 60 Business Days from the Adams Cut-Off Date or the Adams Second Cut-Off Date (as the case may be), to require the Adams Selling Shareholder to acquire a number of shares owned by the Non-Selling Adams Shareholder (the “Adams Tag-Along Shares”) upon the same terms and conditions as the Adams Transferee Terms, such that the total number of shares to be transferred to the Adams Transferee shall be comprised of a number of Adams Tag-Along Shares and Adams Offered Shares that bear the same ratio to each other as did the shares respectively held by the Adams Selling Shareholder and the Non-Selling Adams Shareholder as of the date of the Adams Tag-Along Notice and that the Adams Offered Shares shall be decreased by the corresponding number of the Adams Tag-Along Shares.

The periods within which any shareholder of Adams must exercise any of its rights as set out in paragraph 7.3 above and this paragraph 7.4 shall be extended by such period necessary to enable such shareholder to comply with the applicable rules and regulations of any stock exchange on which securities issued by such shareholder (or its affiliates) are listed.

Save for any default by the Non-Selling Adams Shareholder, the Adams Selling Shareholder shall not be entitled to complete any transfer to the Adams Transferee unless, contemporaneously, the Adams Transferee completes the acquisition of the Adams Tag-Along Shares.

However, if the Adams Non-Selling Shareholders does not exercise its Adams Tag-Along Rights within the specific period provided, then the Adams Selling Shareholder is free to transfer the Adams Offered Shares to the Adams Transferee; provided, that such Adams Transferee shall agree in writing to be bound by the terms and conditions of the Adams Shareholders' Agreement or any other agreements as may then be in force and effect between and among the shareholders of Adams.

The right of first offer, the right of first refusal and the tag-along rights (as set out above) shall not apply to any transfer of shares in Adams by SCP Holdings pursuant to the Call Option Agreement.

Any transfer of the shares in Adams or of any rights in the shares in Adams shall be subject to, amongst other things, the applicable laws and regulations (including but not limited to the Listing Rules). To the extent that the exercise of the right of first offer, the right of first refusal or the tag-along rights by the relevant shareholder as mentioned above constitutes a notifiable transaction of the Company, the Company will comply with the relevant requirements under the Listing Rules.

8. CALL OPTION AGREEMENT

Date : 31 July 2008

Parties : (i) AGI
(ii) SCP Holdings

Pursuant to the Call Option Agreement, AGI irrevocably grants to SCP Holdings in consideration of US\$1, the exclusive right and option (the “Option”) to purchase AGI’s 10% interest in the fully diluted share capital of Travellers (the “Option Shares”) in return for SCP Holdings’ 40% interest in the fully diluted share capital of Adams.

Following the exercise of the Option, each of the parties shall be entitled to increase its board representation in the respective companies (Travellers in the case of SCP Holdings and Adams in the case of AGI) to reflect its new equity interest in the respective companies, subject to the Articles of Incorporation and By-Laws of Travellers or Adams (as the case may be) and the applicable law.

8.1 Exercise of Option

The Option is exercisable any time on or after the date on which SCP Holdings is first permitted under the applicable laws to directly hold more than 40 per cent. of the shares in the issued share capital of Travellers.

The Option shall be exercised in whole and not in part in the event of a change in the applicable laws enabling SCP Holdings to hold 50 per cent. or more of the shares in the issued share capital of Travellers.

In the event of a change in the applicable laws enabling SCP Holdings to hold more than 40 per cent. but less than 50 per cent. of the shares in the issued share capital of Travellers, the Option may be exercised in part. In the event the Option is exercised in part, (i) SCP Holdings shall exercise the Option over the maximum number of Option Shares in Travellers as permitted under the applicable laws and (ii) the Option may be exercised for such number of times until all the Option Shares have been acquired by SCP Holdings.

To the extent that the exercise of the Option by SCP Holdings constitutes a notifiable transaction, the Company will comply with the relevant requirements under the Listing Rules.

8.2 Condition

The respective obligations of the parties under the Call Option Agreement are conditional on the completion of the Share Purchase and Subscription Agreement.

9. OPERATIONS AND MANAGEMENT AGREEMENT

On 31 July 2008, Stellar and Travellers entered into the Operations and Management Agreement pursuant to which, Travellers has engaged Stellar as the sole and exclusive manager and operator (for the entire duration of the term of the License) of the casino to be constructed on Site B (the “Site B Casino”). Travellers also agreed to appoint Stellar as the sole and exclusive manager and operator (for the entire duration of the term of the License) of the “Maxims Hotel” also to be constructed on Site B, on substantially the same terms as those of the Operations and Management Agreement. The services to be provided by Stellar under the Operations and Management Agreement include but are not limited to (i) consultancy and advisory services in relation to the operation, management and development of the Site B Casino; and (ii) the operation and management of the Site B Casino.

The parties also agree to enter into negotiation in good faith on the appointment of Stellar as the exclusive provider of operation and management services in respect of any hotel and casino on Site A and Site B other than the Site B Casino and the “Maxims Hotel” referred to above.

The Company, through its wholly-owned subsidiary, owns an aggregate of 64% (direct and indirect) attributable interests in the share capital of Stellar. It is expected that Stellar will be treated as a jointly controlled entity in the Company’s financial statements.

10. INFORMATION ON TRAVELLERS

Travellers, a subsidiary of AGI, was incorporated under the laws of Philippines in 2003 and is organised for the purpose of engaging in the business of hotels, inns, apartments, leisure parks, entertainment centers and other tourist-oriented or leisure-oriented establishments and/or places and such other allied businesses necessary or connected therewith as well as operating, managing and/or maintaining any and all services and facilities incident or necessary thereto and all other businesses appurtenant, allied or complimentary thereto, either alone or in conjunction with others, with power to own, lease, operate, conduct, manage or maintain casino.

Pursuant to its statutory authority to license casinos in the Philippines, on 2 June 2008, PAGCOR issued a Provisional License in favour of Travellers authorizing Travellers to participate in the development of a portion of the Newport City Project and the Bagong Nayong Pilipino Entertainment City Manila Project which is part of a larger scale integrated tourism project envisioned by PAGCOR and to establish and operate casinos and engage in the gambling activities on Site A and Site B.

According to the audited financial statements of Travellers as at 31 December 2007, the total assets of Travellers were approximately ₱504.4 million (US\$11.4 million), its total liabilities were approximately ₱8.4 million (US\$0.2 million) and its equity was approximately ₱496.0 million (US\$11.2 million). Travellers recorded an income before tax of approximately ₱4,918 (US\$111) for the year ended 31 December 2007 and a loss before tax of approximately ₱2.9 million (US\$66,000) for the year ended 31 December 2006. Travellers recorded a net loss after tax of approximately ₱0.5 million (US\$11,000) and ₱3.0 million (US\$68,000) for each of the two years ended 31 December 2007 and 2006, respectively.

11. INFORMATION ON ADAMS

Adams was incorporated under the laws of Philippines in 2007.

According to the audited financial statements of Adams as at 31 December 2007, the total assets of Adams were approximately ₱591,000 (US\$13,000) and its equity was approximately ₱591,000 (US\$13,000). For the period from the date of incorporation of Adams (i.e. 26 February 2007) to 31 December 2007, Adams incurred a loss (both before and after tax) of approximately ₱34,000 (US\$770).

12. INFORMATION ON THE PROJECTS

Pursuant to the Provisional License, Travellers was authorised by PAGCOR to participate in the development of a portion of the Newport City Project located at Site B and a portion of the Bagong Nayong Pilipino Entertainment City Manila Project located at Site A, covering a total of approximately 57 hectares (subject to the acquisition of development rights to approximately 20 hectares of land adjacent to the land owned by PAGCOR) which forms part of an integrated tourism zone in the reclamation area of Manila Bay, into a gaming, hotel, entertainment and integrated resort development (i.e., Bagong Nayong Pilipino Entertainment City Project). Travellers was also authorized under the Provisional License to establish and operate casinos and engage in the gambling activities on Site A and Site B.

Travellers shall own approximately 7.8 hectares of land as outlined in the development plan of Newport City, with improvements in Newport City including, *inter alia*, (i) a Marriott Hotel; (ii) a leisure and entertainment shopping mall (including hotels and casinos) and (iii) other retail development and carpark projects (i.e., Newport City Project).

It is currently expected that the Regular Casino Gaming License will be granted upon completion of Site A and Site B and no legal impediment is envisaged for obtaining such license.

It is currently expected that the gaming activities in the Site B Casino will primarily include table games, slot machines and electronic games.

The Company has been advised by SyCip Salazar Hernandex & Gatmaitan, the legal advisers to the Company as to Philippine law, that under the terms of the Provisional License, Travellers and Stellar may engage in the gambling activities contemplated under the Transaction Documents in compliance with all applicable laws and regulations of the Philippines. In addition, the acquisition by SCP Holdings of (a) an aggregate of 50% (direct and indirect) interests in the share capital of Travellers; (b) an aggregate of 64% (direct and indirect) attributable interests in the share capital of Stellar, does not violate any laws and regulations of the Philippines.

The future gambling activities contemplated under the Transaction Documents will take place outside Hong Kong. As advised by Clifford Chance, the legal advisers to the Company as to Hong Kong law, the operation of the gambling activities contemplated under the Transaction Documents will not be subject to the Gambling Ordinance (Chapter 148 of the laws of Hong Kong). The Company will use its reasonable endeavours to ensure that throughout the holding of its investments in Travellers and Stellar, the gambling activities undertaken pursuant to the Transaction Documents will comply with the applicable laws in the relevant jurisdiction.

Under Philippine law, at least sixty percent (60%) of the outstanding capital stock of a corporate engaged in any form of gambling must be owned by Philippine nationals. A Philippine national is defined to include a corporation organised under Philippine laws of which at least sixty percent (60%) of the capital stock outstanding and entitled to vote is owned and held by Philippine citizens. Where a corporation and its non-Filipino shareholders own shares in another corporation, at least sixty percent (60%) of the outstanding capital stock of both corporations must be owned and held by Philippine nationals and at least sixty percent (60%) of the members of the board of directors of both corporations must be Philippine nationals, in order that the investee corporation may be considered a Philippine nationals. Under the structure described in the Transaction Documents, Travellers and SCP Holdings, may (subject to definitive terms and conditions to be agreed by the parties) establish the BNP City JV to develop a hotel and casino complex within the Bagong Nayong Pilipino Entertainment City Manila Project. Travellers and SCP Holdings will own sixty

percent (60%) and forty percent (40%), respectively, of the BNP City JV. Travellers will, after the Company's acquisition of direct and indirect interests in the outstanding capital stock of Travellers under the structure described in the Transaction Documents (and for so long as the remaining interests in Travellers' outstanding capital stock are owned by Philippine nationals), be considered a Philippine national under Philippine law. There is no jurisprudence or other precedent holding that the BNP City JV will not be considered as a Philippine national and therefore violative of laws and regulations of the Philippines.

Shareholders are reminded that, in accordance with the Stock Exchange's guidelines on gambling business, if the operations of Travellers and Stellar do not comply with the applicable laws in the relevant jurisdictions, the Stock Exchange may, depending on the circumstances of the case, direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares under Rule 6.01 of the Listing Rules. If the Company cannot take the requisite remedial action in the circumstances aforementioned, it is the Company's intention to maintain trading and listing status of the Shares through the Group's existing business and divest the Group's investment in the Travellers and Stellar in accordance with applicable laws and regulations.

13. REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in the business of cruise and cruise related operations. The Group together with its jointly controlled entities currently has a combined fleet of 20 vessels with over 32,000 lower berths in service and two additional vessels with some 8,400 lower berths due to be delivered by 2010.

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

The Directors believe that the Group's investment in Travellers will complement the Group's existing business and is a continuation of the Group's principal activity in Asia.

The aggregate consideration of US\$335 million under the Acquisition Agreements was determined after arm's length negotiations between the Company and AGI with reference to, amongst other things (i) the Aggregate Ceiling Cost which will be funded by the Subscription Price paid by SCP Holdings to AGI and (ii) the future business potential of Travellers.

Save for the aggregate consideration of US\$335 million under the Acquisition Agreements, there is no legal obligation for the Company to provide any additional capital commitments or financing under the Transaction Documents.

The transactions contemplated under the Transaction Documents will allow the Group to participate in the gaming and hotel sectors in the Philippines. Taking into account (i) the future prospects and growth potential of the gaming and hotel industry in the Philippines; (ii) the future business potential of Travellers; and (iii) that the investment in Travellers falls within the Group's strategy to continue its main business area, the Directors believe that the transactions contemplated under the Transaction Documents, including the aggregate consideration, have been entered into on normal commercial terms and are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

14. LICENSING REQUIREMENT

In order to qualify for a licence to conduct games of chance in the Philippines, Travellers must conform to certain requirements, including but not limited to citizenships requirement, submission of proposal concept as well as the applicant must have the financial capability and well-established experience in the hotel and gaming business.

As advised by SyCip Salazar Hernandex & Gatmaitan, the legal advisers to the Company as to Philippine law, no one may operate or conduct games of chance in the Philippines without a license issued by the appropriate Philippine government entity. Under Presidential Decree No. 1869 (1983), as amended, PAGCOR has been granted the right, privilege and authority to operate and license gambling casinos, gaming clubs and other similar recreation or amusement places, whether on land or on sea, within the territorial jurisdiction of the Philippines.

15. RISK ASSOCIATED WITH THE GAMING BUSINESS IN THE REPUBLIC OF PHILIPPINES

Loss of License

It is illegal to operate a casino in the Republic of Philippines without a license from PAGCOR. Pursuant to the Provisional License, Travellers was granted authority to establish and operate casinos in Site B and Site A. If for any reason the Provisional License is revoked or the Regular Casino Gaming License to be issued in accordance with the terms of the Provisional License is not issued, the operation of the hotel and casino complexes in Site B and Site A by Travellers will be adversely affected.

Money laundering

The Republic of Philippines has in place an anti-money laundering legal framework designed to prevent and combat the processes of disguising or concealing properties or proceeds of illicit origin or derived from illicit activities. Although the Company believes that upon the commencement of the casino operation by Travellers and the provision of casino operation and management services by Stellar, the anti-money laundering policies of Travellers and Stellar will be in compliance with the applicable anti-money laundering laws and regulations of the Republic of Philippines, there is no guarantee that the casino operation of Travellers and Stellar would not attract criminal elements to use the gaming activities of the casino for money laundering. Should the anti-money laundering policy of Travellers and Stellar fail to prevent and combat such illegal acts, the reputation and operations of Travellers and Stellar may be adversely affected.

Political or social instability in the Philippines

Any political and social instability in the Philippines in the future may have a negative impact on its tourism industry and may in turn adversely affect the business of Travellers.

16. GENERAL

As the applicable percentage ratios in relation to the Transactions represent more than 5% and less than 25%, the Transactions constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

A circular containing, among other things, further information on the Transactions will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

17. DEFINITIONS

“Acquisition Agreements”	Asian Travellers Deed, Premium Travellers Deed and Share Purchase and Subscription Agreement
“Adams”	means Adams Properties, Inc, a corporation duly organised and validly existing under and by virtue of the laws of the Philippines
“Adams Shareholders’ Agreement”	the shareholders’ agreement dated 31 July 2008 entered into between (i) SCP Holdings; (ii) AGI; and (iii) Adams setting out the rights and obligations of SCP Holdings and AGI as shareholders of Adams
“Affiliate”	means, as to any party, any other person that directly or indirectly controls, or is under common control with, or is controlled by, such party. For the purpose of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the corporate or management policies of a party, whether through the ownership of voting securities or by contract, trust or other arrangement
“AGI”	Alliance Global Group, Inc., a Philippine conglomerate with its shares listed on the Philippine Stock Exchange
“AGI Parties”	as the context requires, collectively, AGI, Megaworld, Adams and First Centro and, until such time SCP Holdings shall have acquired ownership of Premium Travellers, Premium Travellers, or any of them

“Agreements”	the Acquisition Agreements, Travellers Shareholders’ Agreement, Adams Shareholders’ Agreement and Call Option Agreement
“Ample Winner”	Ample Winner Investments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Asian Travellers”	Asian Travellers, Ltd., a business company incorporated in the BVI and an indirectly wholly-owned subsidiary of AGI prior to completion of the Asian Travellers Deed
“Asian Travellers Deed”	the sale and purchase deed dated 31 July 2008 entered into between (i) Ample Winner; (ii) MPIL; (iii) AGI and (iv) the Company in relation to the acquisition of 100% of the issued shares in Asian Travellers
“associates”	has the same meaning as defined in the Listing Rules
“Bagong Nayong Pilipino Entertainment City Manila Project”	the development of the Bagong Nayong Pilipino Entertainment City Manila City (which forms part of an integrated tourism zone in the reclamation area of Manila Bay) into a gaming, hotel, entertainment and integrated resort development
“Board”	the board of Directors of the Company
“Business Day”	a day on which commercial banks are not authorised or required by applicable law to be closed in each of the relevant cities
“BVI”	British Virgin Islands
“Call Option Agreement”	the call option agreement dated 31 July 2008 entered into between AGI and SCP Holdings
“Company”	Star Cruises Limited, an exempted company continued into Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and traded on the Quotation and Execution System for Trading (“Quest-ST”) of the Singapore Exchange Securities Trading Limited
“Completion”	Completion of the Acquisition Agreements
“Director(s)”	the director(s) of the Company

“First Centro”	First Centro, Inc., a corporation duly organized and validly existing under and by virtue of the laws of the Philippines, a wholly-owned subsidiary of AGI
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“License”	(i) the Provisional License and (ii) the Regular Casino Gaming License to be issued to Travellers in its favour and in accordance with the terms of the Provisional License
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Megaworld”	Megaworld Corporation, a corporation duly organized and validly existing under and by virtue of the laws of the Philippines
“MPIL”	McKester Pik-Nik International Limited, a company incorporated in the BVI and an indirectly wholly-owned subsidiary of AGI
“Newport City Project”	the development of a portion of the Newport City Integrated Resort
“Operations and Management Agreement”	the agreement dated 31 July 2008 entered into between Stellar and Travellers for, <i>inter alia</i> , the operation and management of the casino to be established on Site B and the boutique hotel tentatively named as the “Maxims Hotel” that Travellers intends to establish on Site B
“PAGCOR”	Philippine Amusement and Gaming Corporation, a government-owned and -controlled corporation established under the Presidential Decree No. 1869 (1983), as amended
“Philippine Stock Exchange”	Philippine Stock Exchange, Inc.

“Premium Travellers”	Premium Travellers Ltd., a business company incorporated in the BVI, an indirectly wholly-owned subsidiary of AGI
“Premium Travellers Deed”	the sale and purchase deed dated 31 July 2008 entered into between (i) Ample Winner; (ii) MPIL; (iii) AGI; and (iv) the Company in relation to the acquisition of 100% of the issued shares in Premium Travellers
“Projects”	the Newport City Project and the Bagong Nayong Pilipino Entertainment City Manila Project
“Provisional License”	the provisional gaming license issued by PAGCOR on 2 June 2008 in favour of Travellers relating to the development of a portion of (i) Site A; and (ii) Site B into gaming, hotel, entertainment and integrated resort developments
“SCL Parties”	as the context requires, collectively, SCP Holdings and Asian Travellers initially and, from and after such time that SCP Holdings shall have acquired ownership of Premium Travellers, Premium Travellers, or any of them
“SCP Holdings”	Star Cruises Philippines Holdings B.V., a corporation incorporated in The Netherlands and an indirect wholly-owned subsidiary of the Company
“Share Purchase and Subscription Agreement”	the share purchase and subscription agreement dated 31 July 2008 entered into between (i) AGI; (ii) Adams; (iii) SCP Holdings; and (iv) Travellers in relation to (a) the acquisition of 20% of the issued share capital of Travellers; and (b) subscription of 40% of the enlarged issued share capital of Adams, in each case by SCP Holdings
“Shareholder Group”	as the context requires, either the AGI Parties or the SCL Parties

“Site A”	the development within the Bagong Nayong Pilipino Entertainment City Manila Project covering a total of approximately 57 hectares subject to the acquisition by Travellers of development rights to approximately 20 hectares of land adjacent to the land owned by PAGCOR
“Site B” or “Newport City Integrated Resort”	the development in the vicinity of Villamor Airbase, Pasay City called Newport City Integrated Resort covering a total of approximately 7.8 hectares
“Stellar”	Stellar Grand VIP Performance, Inc. a corporation duly organized and existing under and by virtue of the laws of the Philippines, of which the Company holds 64% direct and indirect attributable interests
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Agreements
“Transaction Documents”	the Agreements and the Operations and Management Agreement
“Transfer”	(i) the direct or indirect sale, assignment, transfer, or disposition of, or grant of an option or other right to purchase or acquire, any of the shares of Travellers, or any interest therein, whether voluntary or involuntary, or (ii) entering into any agreement in respect of any of the foregoing
“Travellers”	Travellers International Hotel Group, Inc., a corporation duly organized and validly existing under and by virtue of the laws of the Philippines, a subsidiary of AGI
“Travellers Shareholders’ Agreement”	the shareholders’ agreement dated 31 July 2008 entered into between (i) SCL Parties; (ii) AGI Parties; and (iii) Travellers setting out the rights and obligations of the SCL Parties and the AGI Parties as shareholders of Travellers

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“₱”	Peso, the lawful currency of the Philippines
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	Percentage

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

Hong Kong, 8 August 2008

As at the date of this announcement, the Board comprises three Executive Directors, namely Tan Sri Lim Kok Thay, Mr. Chong Chee Tut and Mr. William Ng Ko Seng and four Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Tan Boon Seng, Mr. Lim Lay Leng and Mr. Heah Sieu Lay.

In this announcement, the Hong Kong dollar amounts have been translated from U.S. dollars at the rate of US\$1.00 to HK\$7.80 and, the Peso amounts have been translated from U.S. dollars at the rate of US\$1.00 to ₱44.135. Such translations are for the convenience of the readers only. No representation is made that the U.S. dollar amounts have been, could have been or could be, converted into the Hong Kong dollars or Peso, or vice versa, at such rate or at any other rates on any relevant dates.