

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors, I would like to present the Annual Report for the Star Cruises Group of Companies ("the Group") for the year ended 31 December 2005.

A BRIEF REVIEW

Review of Operations

2005 started with the Asia-Pacific region reacting to the devastation caused by the Boxing Day tsunami. We had to react by changing affected itineraries and dealing with massive passenger cancellations. I am glad to report that after the initial few months of turmoil the tourist numbers for the affected areas have very much returned to normal.

In North America, Hurricane Katrina adversely affected NCL which had to redeploy the Norwegian Sun from her scheduled homeport at New Orleans to Houston.

On a more positive note, last year saw many new and interesting developments for Star Cruises. One of the major highlights was the home-porting of a Star Cruises ship, the SuperStar Libra in India for the first time during the months of October through to May, expanding our scope of operations to cover South Asia as well.

A great deal of effort and preparation was undertaken by both the shore and ship staff leading up to the arrival of SuperStar Libra in Mumbai. The home-porting of SuperStar Libra in Mumbai was timely and supportive of the tremendous growth potential and popularity of the Star Cruises brand in India.

For the summer deployment which coincides with the monsoon months in the west coast of India, we have decided to move the SuperStar Libra over to the Eastern Mediterranean in the summer of 2006. SuperStar Libra will be home-ported in Valletta, Malta.

Our strategy of renewing our fleet continued in 2005 with the delivery of the Pride of America for the NCL America brand and the Norwegian Jewel for the NCL brand in June and August 2005 respectively.

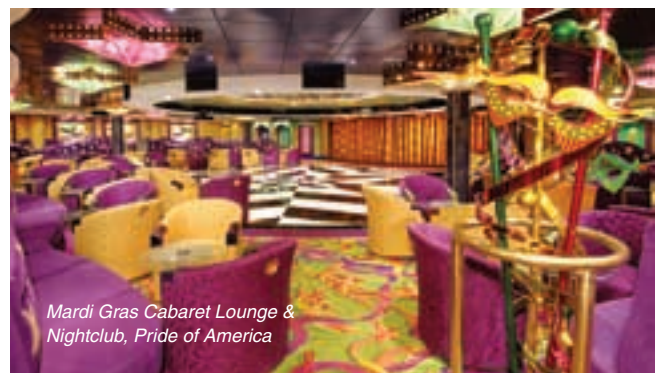


*Tan Sri Lim Kok Thay
Chairman, President and
Chief Executive Officer*

The Pride of America is the largest US-flagged ship ever built and the first newly constructed cruise ship to join the US register in almost 50 years. Christened by The Honourable Elaine L. Chao, US Secretary of Labour, the Pride of America has joined the Pride of Aloha in offering inter-island cruises in Hawai'i.



SuperStar Libra in Kadmat Island, Lakshadweep Isles, India



*Mardi Gras Cabaret Lounge &
Nightclub, Pride of America*



Pride of America in New York City



Valletta, Malta – Home-port of SuperStar Libra in the summer of 2006



Norwegian Jewel Christening Ceremony

We had the honour of Melania Trump christening the Norwegian Jewel which boasts of a luxurious suite complex comprising Garden and Courtyard Villas, a feature that makes this ship the first in the industry to offer this exclusive class of accommodation. Her successful inaugural itinerary was in the Mediterranean and the Baltics in the summer of 2005. She will return to the Mediterranean in the summer of 2006.

We proudly await the arrival of the Pride of Hawai'i for the NCL America brand and the Norwegian Pearl for the NCL brand this year as well as the Norwegian Gem next year for the NCL brand. These new ships joining the fleet will be exciting and will surprise the market in their design and interior.



Courtyard Villas, Norwegian Jewel



Norwegian Jewel, NCL's newest addition

Corporate Highlights

We are proud to report to shareholders that the Company won the "Best Cruise Operator in Asia-Pacific" award for a record 8th time at the TTG Travel Awards 2005. Our founder Tan Sri Lim Goh Tong on the same occasion was named as the inaugural recipient of the "Travel Entrepreneur of the Year" award.

These prestigious awards are a reflection of the international recognition for our efforts in not only striving to constantly enhance the cruise experience for our passengers but also in pioneering and developing the potential of cruising in the region.

The accolades continued in India with Star Cruises winning two awards for "Best Product Promotion International" and "Unique Product International" at the India Travel Mart shows in Bangalore and Chennai, further reinforcing the acceptance of the product in the domestic market.



In China, the Genting-Star International Cruise Management Programme was launched in Shanghai following an earlier Memorandum of Understanding signed between Star Cruises and the Nanhui Vocational School. The programme has been designed along the globally recognised guidelines of the Australasian Hotel College and the Australian Quality Training Framework, with particular emphasis on oral English communication skills and practical applications to cater to a growing level of sophistication among travellers. The first batch of students will graduate in March 2006.

The Company together with Genting International PLC has responded to the Request for Concept for the Development of an Integrated Resort at Marina Bay, Singapore and our consortium has progressed to the Request for Proposal stage. We will be submitting our proposal by March this year and the award to the successful consortium is expected in June this year.

We entered into a Joint Venture Agreement with VXL Capital Limited and Nan Fung Development Limited and submitted an Expression of Interest to the Government of Hong Kong for the development of a cruise terminal. It is envisaged that following consultation via the Expression of Interest, the Government of Hong Kong may invite competitive bidding for the grant of development rights for the cruise terminal development. Hong Kong is an important cruise hub for the Group and the project will help advance the development of the cruise industry in East Asia.

Training and Safety

Having been in operation for 7 years and offering some of the most advanced Bridge Resource Management courses, the Star Cruises Ship Simulator Centre was awarded the Quality Management System Standard ISO 9001:2000 by Lloyd's Register Quality Assurance, one of the biggest maritime classification societies in the world.

Having achieved this award is testimony to the high safety standards and culture that has been inculcated throughout the Company.

Acknowledgement

On behalf of the Board of Directors, I would like to extend my deepest appreciation to the management, staff and crew for their dedicated commitment in contributing to the Group's performance in 2005.

I would also wish to express my sincere thanks to the various government authorities, business partners, consultants, travel agents, customers and loyal shareholders for their support and cooperation throughout the year and am deeply appreciative of the tremendous support from the central and local governments in the jurisdictions where we operate.

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

20 February 2006



*Star Cruises Ship Simulator Centre located at the
Star Cruises Terminal, Port Klang, Malaysia*