

Chairman's Statement



Pride of Hawai'i makes her way along the waters of Honolulu, Hawai'i



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

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 2006.

A BRIEF REVIEW

Cruise Operations

2006 has indeed been an eventful year for our operations across the globe with the introduction of two new vessels in the US and our first foray into Eastern Mediterranean for the Star Cruises brand.

Our US operations saw the addition of the *Pride of Hawai'i* and the *Norwegian Pearl* to the NCL America and NCL brands respectively as part of the ongoing fleet renewal programme. The *Pride of Hawai'i*, the largest US-flagged ship to be built, is the third and final new vessel to join the NCL America fleet offering Hawaii inter-island cruises.

NCL also took delivery of the *Norwegian Pearl* with a tonnage of 93,530, the newest Freestyle Cruising vessel christened by Emmy Award winner Rosie O'Donnell. The vessel boasts an industry first with a four lane ten pin bowling alley and is a reflection of how far NCL has come over the last 40 years as the industry's most innovative cruise line.

NCL entered into a contract with Aker Yards S.A. of France to build three new cruise ships (including an option) with a tonnage of approximately 150,000 each, scheduled for delivery between 2009 and 2011. The ships represent a new generation of Freestyle Cruising vessels and we will by 2010 see very little of the NCL we bought in 2000 except the name and the people, replaced by the youngest, most innovative and exciting fleet in the industry.



Pool Deck, Pride of Hawai'i



Norwegian Pearl's 4-lane bowling alley, an industry 'first'



Grand Piazza, SuperStar Virgo



Mariners Patio Bar, SuperStar Gemini



Stardust Lounge, SuperStar Aquarius



SuperStar Aquarius at sea



Star Boutique, SuperStar Virgo



Two Trees Restaurant, SuperStar Libra

The Asian fleet offered a combination of regular and special cruises providing new destination choices and cruise itineraries on ships like SuperStar Virgo and SuperStar Gemini. Looking ahead, we will see the introduction of SuperStar Aquarius (currently Norwegian Wind) in Hong Kong in June 2007.

Having enjoyed a promising inaugural season in India, SuperStar Libra was deployed to Valetta, Malta in the summer of 2006, increasing the awareness of the Star Cruises brand in new markets.

The deployment to Eastern Mediterranean also provided an opportunity to showcase the Star Cruises product in the Middle East with two special ship showcase events in Dubai and Bahrain prior to the ship's arrival in Valetta. Her return to Mumbai in October 2006 to begin the second season reflects our efforts in supporting the continuing growth and popularity of the Star Cruises brand in India.

Corporate Highlights

Star Cruises has once again gained international recognition for its cruise products with the winning of the "Unique Product", "Best Domestic Promotion Product", "Best Unique Product International" and "Best Product Promotion International" awards at the India International Travel Mart Shows 2006 as well as awards in the Top 10 Family Destinations, Top 10 Incentive Travel Destinations and the Top 10 Honeymoon Destinations categories in the China Outbound Travel Awards 2006 Poll by China Outbound Travel Online.

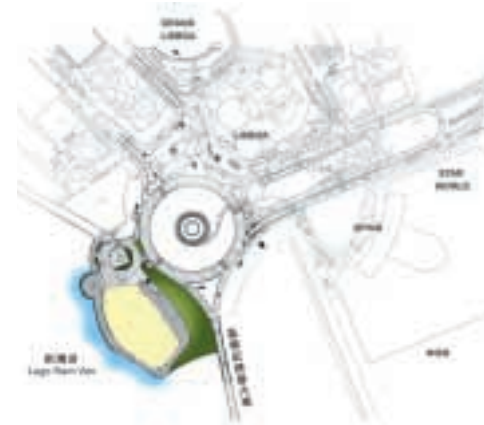
In addition, Star Cruises also won the "Best Cruise Operator in Asia-Pacific" award by TTG Asia for a record ninth time, "Best Cruise Operator" award by the Travel Weekly China Industry Awards 2006 and the inaugural BrandLaureate Award for "Best Brands in Leisure and Hospitality" 2006.



The Genting-Star International Cruise Management Programme launched in 2005 saw the graduation of the pioneer batch of hospitality students from the Nanhu Vocational School in Shanghai in March 2006.

In December 2006, the Genting International-Star Cruises Consortium has successfully won the bid to develop the Sentosa integrated resort to be known as "Resorts World at Sentosa" (RWS) following the announcement by the Singapore government. However, we are withdrawing from RWS, subject to relevant approvals, at a price to be agreed so as to devote our resources on the other major projects of the Group.

Star Cruises is in the process of completing its acquisition of a 75% interest in Macau Land Investment Corporation through its wholly owned subsidiary New Orisol Investments Limited.



Acknowledgement

On behalf of the Board of Directors, I wish to express my sincere thanks to the management, staff and crew as well as various local 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

9 March 2007