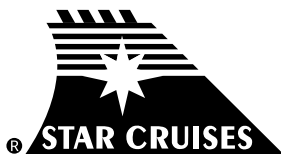

IMPORTANT

If you are in any doubt about this document you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Star Cruises Limited, you should at once hand this document to the purchaser or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSALS FOR

- 1. GENERAL MANDATE TO REPURCHASE SHARES;**
- 2. GENERAL MANDATE TO ISSUE SHARES;**
- 3. AMENDMENTS TO THE EXISTING SHARE OPTION SCHEME;**
- 4. ADOPTION OF CHINESE TRANSLATION OF THE COMPANY'S NAME; AND**

NOTICE OF ANNUAL GENERAL MEETING

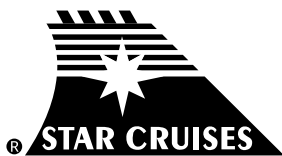
The notice of the Eighth Annual General Meeting of the Company to be held at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR on Wednesday, 22 May 2002 at 2:00 p.m. (Hong Kong time) is set out in this circular. The form of proxy enclosed with this circular or other instrument of proxy shall not be treated as valid unless lodged at the Corporate Office of the Company at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR or at the office of the Company's transfer agent in Singapore, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, and in any event not less than 48 hours before the time appointed for holding the meeting and any adjournment thereof.

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DEFINITIONS

“Annual General Meeting”	The eighth annual general meeting of the Company to be held at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR on Wednesday, 22 May 2002 at 2:00 p.m.
“Board”	The board of Directors
“Company”	Star Cruises Limited, a company continued into Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Directors”	The directors of the Company
“Employee”	any person in the employment of any company in the Group including any executive director of any company in the Group, as currently defined in the Scheme
“Group”	The Company and its subsidiaries
“Latest Practicable Date”	16 April 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice”	The notice dated 27 April 2002 for convening the Annual General Meeting as set out in pages 16 to 19 of this circular
“Scheme”	The share option scheme adopted by the Company on 23 August 2000
“Scheme Modifications”	Certain amendments proposed to be made to the Scheme, as summarised in Appendix II to this circular
“Shareholders”	shareholders of the Company
“Shares”	Share(s) of US\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars
“US\$”	United States dollars



STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

Board of Directors:

Dato' 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, President and Chief Executive Officer

of Norwegian Cruise Line Limited

Mr Tan Boon Seng

Independent Non-executive Director

Mr Lim Lay Leng

Independent Non-executive Director

Registered Office:

Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

Corporate Office:

Suite 1501

Ocean Centre

5 Canton Road

Tsimshatsui

Kowloon

Hong Kong SAR

27 April 2002

To Shareholders of the Company,

Dear Sir or Madam,

**PROPOSAL FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES**

INTRODUCTION

At the seventh annual general meeting of the Company held on 15 May 2001, a general mandate was given to the Directors to exercise the powers of the Company to repurchase issued shares and to issue new shares in the capital of the Company. Such mandates will lapse at the conclusion of the Annual General Meeting. The Directors therefore propose to seek your approval of the ordinary resolutions to be proposed at the Annual General Meeting to give new general mandates to the Directors to exercise the powers of the Company to repurchase shares and to issue new shares.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO DIRECTORS TO REPURCHASE SHARES

This is the explanatory statement, as required by the relevant rules set out in the Listing Rules on the Stock Exchange to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange (or such other stock exchange on which the securities of the companies may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for that purpose), to provide requisite information to you for your consideration of the proposal to authorize the Directors to exercise the powers of the Company to repurchase shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the ordinary resolution during the relevant period referred to in item no. 6 of the Notice.

GENERAL MANDATE TO DIRECTORS TO ISSUE SHARES

Ordinary Resolutions Nos. 5 and 7 as set out in the Notice will also be proposed at the Annual General Meeting to grant to the Directors a general mandate to issue and otherwise deal with new shares of the Company up to a limit equal to 20% of the issued shares of the Company at the date of the passing of such resolutions plus the amount of any shares repurchased by the Company.

In accordance with the Listing Rules, the Company is required to send to the shareholders an explanatory statement containing certain information necessary to enable Shareholders to make an informed decision on whether to vote for or against the share repurchase resolution. The explanatory statement is set out in Appendix I hereto.

PROPOSED AMENDMENTS TO THE SCHEME

On 23 August 2001, the Stock Exchange issued an announcement concerning amendments to Chapter 17 of the Listing Rules, which governs share schemes of companies listed on the Main Board of the Stock Exchange, including the Scheme. The amendments to Chapter 17 of the Listing Rules became effective on 1 September 2001.

Following the recent amendments to Chapter 17 of the Listing Rules, the Directors consider that it would be in the best interests of the Company and the Shareholders to make corresponding amendments to the Scheme, pursuant to the Scheme Modifications, a summary of which is set out in Appendix II to this circular.

The proposed amendments to the Scheme is subject to the following conditions:

- (a) the approval of Shareholders at the Annual General Meeting;
- (b) the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the Scheme (as amended).

Application will be made to the Stock Exchange for the approval of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the Scheme (as amended).

LETTER FROM THE CHAIRMAN

The Directors believe that contributions of the Employees are of paramount importance to the success of the Group as a whole. By offering the Options to the Employees upon such terms as may be permitted under the Scheme (with the Scheme Modifications adopted), such Employees may exercise their Options at any time within the Exercise Period (where applicable, subject to any terms of the grant of such Options) and participate in the growth and success of the Group. The Directors also believe that the Scheme can help to retain the services of the Employees between the Option grant date and the day such Option becomes exercisable.

Since the adoption of the Scheme on 23 August 2000 up to the Latest Practicable Date, no Options have been granted thereunder.

Under the Star Cruises Employees Share Option Scheme adopted prior to the listing of the Company on the Stock Exchange (the “Pre-listing Scheme”), 66,489,750 options remain outstanding as of the Latest Practicable Date which will vest over a period of 10 years from their original dates of grant which range from 1998 to 2000. These outstanding options are generally exercisable as to 20% and 30% of the amount granted 3 years and 4 years after the grant date and the remaining options can be exercised annually in equal tranches over the remaining option exercise period. No further options can be granted under the Pre-listing Scheme after the listing of the Company on the Stock Exchange and the outstanding options remain exercisable subject to modification as approved by the Stock Exchange and agreed by the grantees on 23 October 2000.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities (“Maximum Number of Securities”) which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10 per cent. of the relevant class of securities of the listed issuer as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10 per cent. limit under the scheme. The limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes (“Maximum Outstanding Options”) must not exceed 30 per cent. of the relevant class of securities of the listed issuer in issue from time to time.

Approval will be sought from the Shareholders to modify the relevant clause of the Scheme to the effect that the Maximum Number of Securities shall not exceed 3.2 per cent. of the Shares in issue as of the date of approval of the Scheme (as amended) and the Maximum Outstanding Options shall not exceed 10 per cent. of the relevant class of the issued share capital of the Company from time to time.

As at the Latest Practicable Date, the Company has 4,147,306,537 Shares in issue. Assuming that there is no change in the Shares in issue between the Latest Practicable Date and the date of approval of the Scheme Modifications, the number of shares that may be issued upon exercise of all Options to be granted under the Scheme (as amended) and options to be granted under any other schemes of the Company will be 132,713,809 Shares, being 3.2% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE CHAIRMAN

No directors are appointed as trustees of the Scheme or have a direct or indirect interest in the trustees of the Scheme.

At the Annual General Meeting, an ordinary resolution will be proposed to approve the Scheme Modifications.

The Directors consider that it is not appropriate to state the value of all options that can be granted pursuant to the Scheme as if they had been granted at the Latest Practicable Date, as any such statement would be subjective. Certain crucial factors for such valuation are variables which cannot be reasonably determined at this stage. Such factors include without limitation the exercise price, the exercise period and the restrictions, conditions and limitations (if any) imposed by the Directors at its absolute discretion upon the granting of the Options. The Directors believe that any statement regarding the value of the options as at the Latest Practicable Date based on speculative assumptions in respect of such variables will not be meaningful to the Shareholders.

ADOPTION OF CHINESE TRANSLATION OF THE COMPANY'S NAME

As the Company is a company continued into Bermuda with limited liability, only its English name appears in its Certificate of Continuance. Accordingly, it has been registered as an overseas company under Part XI of the Hong Kong Companies Ordinance in its English name. The Chinese name of the Company 麗星郵輪有限公司 has been used by the Company for identification purpose and the existing share certificates of the Company bear both the English name and the said Chinese name. As an overseas company is now allowed to register a Chinese name in Hong Kong notwithstanding the fact that only the English name of a company appears in its Certificate of Incorporation / Certificate of Continuance, a special resolution will be proposed at the Annual General Meeting to formalise the adoption of 麗星郵輪有限公司 as the Chinese translation of the Company's name.

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form or other instrument of proxy and return it to the Corporate Office of the Company at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR or the office of the Company's transfer agent in Singapore, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form or other instrument of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors consider that the granting of the mandates to repurchase shares and to issue shares, the Scheme Modifications and adoption of 麗星郵輪有限公司 as the Chinese translation of the Company's name are in the interests of the Company and its Shareholders as a whole and recommend Shareholders to vote in favour of the resolutions relating thereto at the Annual General Meeting.

Yours sincerely
On behalf of the Board of
Star Cruises Limited
Dato' Lim Kok Thay
Chairman

INFORMATION RELEVANT TO THE REPURCHASE MANDATE

- (a) The Directors believe that it is in the best interests of the Company and its subsidiaries to have a general authority from Shareholders to enable the Directors to repurchase shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.
- (b) In repurchasing the Shares, the Company may only apply funds legally available for such purchase in accordance with its Memorandum of Continuance and Bye-laws, the Listing Rules and the laws of Bermuda. Further, the Companies Act 1981 of Bermuda (as amended) provides that a company may not repurchase its shares if, on the date, on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.
- (c) The Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.
- (d) None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company or its subsidiaries if the repurchase mandate is exercised.
- (e) The Directors have undertaken to the Stock Exchange that, so far the same may be applicable, they will exercise the repurchase mandate only in accordance with the Listing Rules and the laws of Bermuda.
- (f) If as a result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

At the Latest Practicable Date, the following persons were the substantial shareholders as notified to the Company pursuant to the Securities (Disclosure of Interests) Ordinance, holding 10 per cent. or more of the issued share capital of the Company:

Name of Shareholder (Notes)	Number of ordinary shares	Percentage of shareholding
Parkview Management Sdn Bhd (1 and 8)	1,486,886,993	35.9
Kien Huat Realty Sdn Bhd (2 and 8)	1,486,886,993	35.9
Genting Berhad (3 and 8)	1,486,886,993	35.9
Resorts World Bhd (4 and 8)	1,486,886,993	35.9
Sierra Springs Sdn Bhd (5 and 8)	1,486,886,993	35.9
Resorts World Limited (5 and 8)	1,486,886,993	35.9
GZ Trust Corporation (6 and 9)	2,156,836,819	52.0
Golden Hope Limited (7 and 9)	2,156,836,819	52.0
Dato' Lim Kok Thay (10)	3,672,586,802	88.6
Datin Wong Hon Yee (11)	3,672,586,802	88.6

Notes:

- Parkview Management Sdn Bhd is a trustee of a discretionary trust ("Discretionary Trust"), the beneficiaries of which include certain members of Tan Sri Lim Goh Tong's family ("Lim Family").
- Kien Huat Realty Sdn Bhd ("KHR") is a private company of which the Discretionary Trust, through Info-Text Sdn Bhd and Dataline Sdn Bhd controls more than one third of the voting power.
- Genting Berhad is a company listed on the Kuala Lumpur Stock Exchange ("KLSE") in Malaysia of which KHR controls more than one third of the voting power.
- Resorts World Bhd is a company listed on KLSE and is a subsidiary of Genting Berhad.
- Sierra Springs Sdn Bhd and Resorts World Limited are companies which are wholly-owned subsidiaries of Resorts World Bhd.
- GZ Trust Corporation is the trustee of various discretionary trusts established for the benefit of certain members of the Lim Family. These discretionary trusts are unit-holders of Golden Hope Unit Trust ("GHUT"), a private unit trust.
- Golden Hope Limited is the trustee of GHUT.
- The interests of persons named in Notes 1 to 5 in 1,486,886,993 ordinary shares relates to the same block of shares.
- The interests of the persons named in Notes 6 and 7 in 2,156,836,819 ordinary shares relates to the same block of shares.
- Includes deemed interests through Resorts World Limited, Golden Hope Limited, Joondalup Limited and Goldsfine Investments Limited ("Goldsfine"). Each of Dato' Lim Kok Thay and his wife, Datin Wong Hon Yee holds 50% of the issued share capital of Goldsfine.

11. Datin Wong Hon Yee as the wife of Dato' Lim Kok Thay, has a family interest in the same block of 3,672,586,802 ordinary shares in which Dato' Lim has a deemed interest. Datin Wong also has a corporate interest in 23,247,990 ordinary shares held by Goldsfine by holding 50 per cent. of the issued share capital of Goldsfine.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution and assuming there is no other change in the issued ordinary share capital of the Company, the shareholding percentage of the above substantial shareholders of the Company would be as follows:

Name of Shareholder	Shareholding Percentage before repurchase	Shareholding Percentage after repurchase
Parkview Management Sdn Bhd	35.9	39.8
Kien Huat Realty Sdn Bhd	35.9	39.8
Genting Berhad	35.9	39.8
Resorts World Bhd	35.9	39.8
Sierra Springs Sdn Bhd	35.9	39.8
Resorts World Limited	35.9	39.8
GZ Trust Corporation	52.0	57.8
Golden Hope Limited	52.0	57.8
Dato' Lim Kok Thay	88.6	98.4
Datin Wong Hon Yee	88.6	98.4

The Directors have no present intention to exercise in full the aforesaid power to repurchase Shares to such an extent as would result in less than 10 per cent. of the Shares being held by the public.

Save as aforesaid, the Directors are not aware of any consequences that would arise under the Takeover Code as a result of a repurchase pursuant to the repurchase mandate.

- (g) No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,147,306,537 shares of US\$0.10 each ("Shares").

Subject to the passing of Ordinary Resolution No. 6 as set out in the Notice and on the basis that no further shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the repurchase proposal to repurchase a maximum of 414,730,653 Shares representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months before the printing of this circular were as follows:

	Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2001	4.10	4.10
May 2001	4.70	4.30
June 2001	4.50	4.50
July 2001	4.50	4.50
August 2001	4.40	4.40
September 2001	4.00	4.00
October 2001	2.50	2.20
November 2001	2.70	2.50
December 2001	3.50	2.60
January 2002	3.75	2.85
February 2002	3.55	3.40
March 2002	3.60	3.03

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Responsibility Statement

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained herein the omission of which would made any statement contained in this document misleading.

Purpose of the Scheme

The purpose of the Scheme will be set out in the Scheme document as follows:

“The main purpose of the Scheme is to motivate the Employees and to allow them to participate in the growth and success of the Company.”

Maximum number of Shares subject to the Scheme

At present, Rule 4 of the Scheme provides that the maximum number of Shares which may be subject to Options under the Scheme, when aggregated with Shares in respect of which options have been granted under the Pre-listing Scheme and which remain exercisable after the listing of the Company on the Stock Exchange in 2000, cannot exceed 5 per cent. of the issued share capital of the Company from time to time.

Pursuant to Chapter 17 of the Listing Rules, the Maximum Number of Securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10 per cent. of the relevant class of securities of the listed issuer as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10 per cent. limit under the scheme. The limit on Maximum Outstanding Options must not exceed 30 per cent. of the relevant class of securities of the listed issuer in issue from time to time.

Rule 4 will be modified so that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme (as amended) and any other schemes, will be such number of Shares as shall represent 3.2 per cent. of the relevant class of issued share capital of the Company as at the date of approval of the Scheme (as amended), provided that the Company may renew this limit at any time subject to Shareholders’ approval and the issue of a circular and further provided that the number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes shall not exceed 10 per cent. of the relevant class of the issued share capital of the Company from time to time. For the avoidance of doubt, Options lapsed in accordance with the terms of the Scheme shall not be counted for the purpose of calculating the 3.2 per cent. limit.

Since the adoption of the Scheme on 23 August 2000 up to the Latest Practicable Date, no Options have been granted thereunder.

Under the Pre-listing Scheme, 66,489,750 options remain outstanding as of the Latest Practicable Date which will vest over a period of 10 years from their original dates of grant which range from 1998 to 2000. These outstanding options are generally exercisable as to 20% and 30% of the amount granted 3 years and 4 years after the grant date and the remaining options can be exercised annually in equal tranches over the remaining option exercise period. No further options can be granted under the Pre-listing Scheme after the listing of the Company on the Stock Exchange and the outstanding options remain exercisable subject to modification as approved by the Stock Exchange and agreed by the grantees on 23 October 2000.

As at the Latest Practicable Date, the Company has 4,147,306,537 Shares in issue. Assuming that there is no change in the Shares in issue between the Latest Practicable Date and the date of approval of the Scheme Modifications, the number of shares that may be issued upon exercise of all Options to be granted under the Scheme (as amended) and options to be granted under any other schemes of the Company will be 132,713,809 Shares, being 3.2% of the Shares in issue as at the Latest Practicable Date.

Subscription Price

Rule 7 of the Scheme currently provides that the Subscription Price (as defined in the Scheme) will be determined on the Offer Date (as defined in the Scheme) by the Board as an amount that is not less than 80 per cent. of the average of the closing prices of the Shares on the Stock Exchange on the five business days immediately preceding the Offer Date on which there were dealings in Shares on the Stock Exchange or the nominal value of a Share.

Rule 7 will be modified so that it provides that the Subscription Price will be determined on the Offer Date by the Board as an amount which is not less than the higher of (i) the closing price of the Shares quoted in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day, and (ii) the average of the closing prices of the Shares quoted in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date, provided that in no event will the Subscription Price be less than the nominal value of a Share.

Maximum Entitlement

Rule 5.5 of the Scheme currently provides that no Option may be granted to any one Employee which if exercised in full would result in the total number of Shares already issued and issuable to him under all the Options previously granted to him and the said Option exceeding 25 per cent. of the maximum aggregate number of Shares in the capital of the Company subject to the Scheme in respect of which Options may at that time be granted under the Scheme.

Rule 5.5 will be modified so that it provides that no Option may be granted to any one Employee which if exercised in full would result in the total number of Shares already issued and issuable to him upon exercise of all the Options previously granted and to be granted to him (including the exercised, cancelled and outstanding Options) in any 12-month period up to the proposed date of the latest grant exceeding 1 per cent. of the relevant class of Shares in issue; provided that the Company may grant

further Options in excess of this limit, subject to approval by the Company in general meeting at which the Employee to which the Option is proposed to be granted and his associates abstain from voting, and subject to the issue by the Company of a circular to its Shareholders complying with the rules of the Stock Exchange applicable to the Scheme from time to time.

Performance Targets

A new Rule 9.4 will be inserted in the Scheme providing as follows:

“No performance targets are required to be achieved by any Grantee before an option is capable of being exercised by the Grantee except as otherwise imposed by the Board pursuant to Clause 5.2 and stated in the relevant Offer Letter.”

Directors’ powers to further amend the Scheme

The Scheme currently provides that with certain exceptions the provisions of the Scheme may be modified or amended by the Board. The recent changes to Chapter 17 of the Listing Rules have introduced additional restrictions on the power of the Board to modify or amend certain provisions of the Scheme without the approval of Shareholders’ and these changes will be reflected in the provisions of the Scheme permitting modifications or amendments by the Board.

Accordingly, the Scheme may be altered by the Directors except that any material alteration to its terms and conditions or any change to the terms of Options granted (except where such alterations take effect automatically under the existing terms of the Scheme) shall first be approved by the Shareholders of the Company in general meeting and the provisions of the Scheme which relate to the matters set out in Rules 17.03 of the Listing Rules cannot be altered to the advantage of the Grantees except with the prior sanction of a resolution of the Company in general meeting.

Changes in Capitalisation and Reorganisation

Rule 11.1 currently provides that in the event there is a change in the Shares of the Company through a consolidation, subdivision, capitalisation of profits or reserves, issue of shares by way of rights or a reduction of share capital, corresponding alterations shall be made in:

- (a) the aggregate number of Shares available for the grant of Options;
- (b) the number of Shares subject to outstanding Options and the Subscription Price per Share of each outstanding Option;
- (c) the securities to which the Option relates; and/or
- (d) the method of exercise of the Option;

as the auditors of the Company certify in writing to be fair and reasonable in their opinion, subject to certain adjustment restrictions as set out in the Scheme.

Rule 11.1 will be amended by deleting (a) to (d) above and by inserting (a) and (b) as follows to comply with the corresponding requirements following the recent amendments to Chapter 17 of the Listing Rules:

- (a) the aggregate number of Shares available for the grant of Options under the Scheme; and
- (b) the number of Shares subject to outstanding Options or the Subscription Price per Share of each outstanding Option.

In addition, the said certification may be provided by the auditors of the Company or an independent financial adviser appointed by the Board for the purpose from time to time as required.

Cancellation of Options granted but not exercised

A new rule will be inserted in the Scheme providing as follows:

“CANCELLATION OF OPTIONS GRANTED BUT NOT EXERCISED

Options granted may not be cancelled without the consent of the Grantees thereof and any new Options (or any other options to subscribe for Shares) issued in replacement of Options cancelled may only be issued under the Scheme (or any other share scheme of the Company) to the extent unissued Options (excluding the cancelled Options) are available for issue, within the limits prescribed by the Listing Rules.”

Grant of Options to Connected Persons

A new rule will be inserted in the Scheme providing as follows:

“GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) The independent non-executive Directors (not being Directors interested in the transaction in each case) will be required to approve each grant of Options to any Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined in the Listing Rules).
- (b) If a grant of an Option to a substantial shareholder or an independent non-executive Director of the Company or to any of his associates will result in the total number of Shares issued and to be issued upon exercise of all Options granted and to be granted (including any Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the Offer Date of such Option:
 - (i) representing in aggregate over 0.1 per cent. of the Shares in issue from time to time; and

- (ii) having an aggregate value, based on the closing price of the Shares as quoted in the Stock Exchange's daily quotations sheet at the Offer Date of such Option, in excess of HK\$5,000,000,

the grant of such Option will be required to be approved by a resolution of the Shareholders of the Company voting by way of a poll in general meeting. The Company will be required to send a circular to its Shareholders in relation to the proposal for the grant of such Option. Connected persons (as defined in the Listing Rules) of the Company must abstain from voting at such general meeting except that any connected person may vote against the resolution provided that his intention to do so has been stated in the circular.”

Miscellaneous

The Scheme Modifications seek to make corresponding changes to the Scheme in accordance with the recent amendments to Chapter 17 of the Listing Rules. No changes are proposed to the Scheme in relation to the following matters:

- participants as required under Rule 17.03(2)
- length of exercise period of an option as required under Rule 17.03(5)
- minimum holding period of an option as required under Rule 17.03(6)
- payments upon application or acceptance of an option as required under Rule 17.03(8)
- the rights arising on a liquidation of the issuer attaching to an option as required under Rule 17.03(10)
- the life of a scheme as required under Rule 17.03(11)
- the circumstances under which Options will automatically lapse as required under Rule 17.03(12)
- provisions for termination of the scheme before end of its life as required under Rule 17.03(16)
- transferability of options as required under Rule 17.03(17)

The Directors believe that the relevant provisions in the existing rules of the Scheme are not inconsistent with the corresponding provisions in the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be held at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR on Wednesday, 22 May 2002 at 2:00 p.m. (Hong Kong time) for the purpose of transacting the following businesses:

1. to receive and adopt the Audited Financial Statements for the year ended 31 December 2001 and the Directors' and Auditors' Reports thereon.
2. to approve Directors' fees of US\$228,000 for the year ended 31 December 2001.
3. to re-elect the following Directors and to fix the maximum number of Directors at 12:

Mr. Alan Howard Smith, J.P.
Mr. David Colin Sinclair Veitch

4. to re-appoint Auditors and to authorise the Directors to fix their remuneration.

to consider, and if thought fit, pass the following ordinary resolutions with or without amendments:

5. **“THAT:**

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to:
 - (i) a Rights Issue;
 - (ii) the exercise of rights of subscription or conversion under the terms of any securities of the Company which are convertible into shares of the Company; or

NOTICE OF ANNUAL GENERAL MEETING

(iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and this approval shall be limited accordingly; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognized regulatory body or any stock exchange).”

6. **“THAT:**

- (a) subject to paragraph (c), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (or any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for that purpose) on the terms and subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors of the Company;
- (c) the aggregate nominal amount of shares of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company to be held; and
 - (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders in general meeting.”
7. **“THAT** conditional upon the passing of Resolutions 5 and 6 of the Notice of this Meeting, the general mandate granted under Resolution 5 be extended by adding the aggregate nominal amount of shares purchased by the Company pursuant to Resolution 6 to the aggregate nominal amount of shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company under Resolution 5.”
8. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the Share Option Scheme of the Company (as amended), the proposed amendments to the Share Option Scheme of the Company (as set out in Appendix II of the circular dated 27 April 2002 and sent to all shareholders of the Company, and marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof) be and are hereby approved and adopted and the Directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme (as amended) accordingly.”

To consider, and if thought fit, pass the following special resolution with or without amendments:

9. **“THAT** subject to the approval of the Registrar of Companies, Hong Kong, 麗星郵輪有限公司 be adopted as the Chinese translation of the Company’s name.”
10. to transact any other business of which due notice shall have been given.

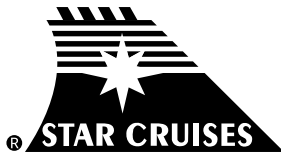
By order of the Board
Louisa Tam Suet Lin
Company Secretary

Hong Kong, 27 April 2002

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. If no name is inserted in the space for the name of your proxy on the form of proxy, the chairman of this meeting will act as your proxy.
5. The form of proxy or other instrument of proxy shall not be treated as valid unless lodged at the Corporate Office of the Company at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR or the office of the Company's transfer agent in Singapore, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, and in any event not less than 48 hours before the time appointed for holding the meeting and any adjournment thereof.
6. With respect to Resolution 5, approval is being sought from shareholders for a general mandate to issue shares to be given to the Directors.
7. With respect to Resolution 6, approval is being sought from shareholders for a general mandate to repurchase shares to be given to the Directors.
8. With respect to Resolution 7, approval is being sought from shareholders for an extension of the general mandate to be granted to the Directors pursuant to Resolution 5 to allot shares by adding to it the number of shares purchased under the authority granted pursuant to Resolution 6.
9. In accordance with the Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, an explanatory statement setting out the terms and conditions upon which the powers to be granted under Resolution 6 will be exercised accompanies this notice.
10. With respect to Resolution 8, approval is being sought from shareholders for amendments to the existing Share Option Scheme.
11. With respect to Resolution 9, approval is being sought from shareholders to adopt 麗星郵輪有限公司 as the Chinese translation of the Company's name.



STAR CRUISES LIMITED

(Continued into Bermuda with limited liability)

Form of proxy

I/We _____ being a member/members of the Company hereby appoint *the CHAIRMAN OF THE MEETING or _____ of address _____

as my/our proxy to attend and vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR on Wednesday, 22 May 2002, at 2:00 p.m. (Hong Kong time) and at any adjournment thereof and to vote as indicated below. (* Delete if inapplicable)

Dated: _____

Signed: _____

Full Name(s)
IN BLOCK CAPITAL _____

Address _____

Number of shares held _____

ORDINARY RESOLUTIONS		Proxy	
		For	Against
1.	Proposed adoption of the Audited Financial Statements for the year ended 31 December 2001 and the Directors' and Auditors' Reports thereon.		
2.	Proposed approval of Directors' fee of US\$228,000 for the year ended 31 December 2001.		
3.	(A) Proposed re-election of Directors: (i) Mr. Alan Howard Smith, J.P. (ii) Mr. David Colin Sinclair Veitch (B) Proposed fixing of the maximum number of Directors at 12.		
4.	Proposed re-appointment of Auditors and authorization to the Directors to fix their remuneration.		
5.	Proposed mandate to the Directors to issue new shares.		
6.	Proposed mandate to the Directors to repurchase shares.		
7.	Proposed extension of the mandate to issue shares under Resolution 5 by the number of shares repurchased under Resolution 6.		
8.	Proposed amendments to the existing Share Option Scheme.		
SPECIAL RESOLUTION			
9.	Proposed adoption of 麗星郵輪有限公司 as Chinese translation of the Company's name.		
10.	Any other business.		

Please indicate with an "X" in the appropriate box provided above how you wish your vote to be cast on the resolutions specified in the notice of meeting.

NOTES:

- A member entitled to attend and vote at this meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
- The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorized.
- If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- Please insert the number of shares of US\$0.10 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
- If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the CHAIRMAN OF THE MEETING or" and insert the name and address of the proxy desired in the space provided. Any alteration made to this form of proxy must be initialed by the person who signs it. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.
- The form of proxy or other instrument of proxy shall not be treated as valid unless lodged at the Corporate Office of the Company at Suite 1501, Ocean Centre, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong SAR, or the office of the Company's transfer agent in Singapore, M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, and in any event not less than 48 hours before the time appointed for holding the meeting and any adjournment thereof.