

**STAR CRUISES LTD:  
THIS IS A DUD AND HAS,  
FOR THE PAST EIGHT YEARS, BEEN A DUD**

**And It, Probably, Will Always Be A Dud**

In these hectic times of uncertainty, banks and finance houses are very reluctant to lend money to what they determine as risky ventures.

Managements of lending institutions, around the world, even look with suspicion at any and all applications for new loans; and, they often go to the extent of questioning senior managements of entities that have, in the past, been considered well-entrenched, publicly listed companies with pedigrees above repute.

But when they do see their way clear to loosening their purse-strings a mite, it is unusually with onerous conditions, attached to loans.

This is common practice in today's world because so many former, blue-chip companies have gone belly up, costing shareholders and bankers trillions of US dollars.

Last week, Star Cruises Ltd () (Code: 678, Main Board, The Stock Exchange of Hongkong Ltd) made an announcement to its shareholders to the effect that RHB Bank (L) Ltd had agreed to lend to this loser a \$US40-million Facility (about \$HK312 million) to be used as General Working Capital.

It is obvious that Star Cruises Ltd needed the money for Working Capital purposes.

If that were not the case, the announcement would have stated otherwise.

Which makes one ponder as to the long-term viability of this publicly listed company, of course.

The loan from RHB Bank (L) Ltd is for a fixed period of 12 months from the date of utilisation of the Facility, one is told.

Paragraphs 2 and 3 of this announcement stated:

***'(2) Specific Performance Obligations***

*'The Facility Agreement contains a specific performance obligation imposed on the Lim Family whereby the Lim Family, together or individually, is required to control (directly or indirectly) the Company and beneficially own (directly or indirectly) at least 51 per cent. of the issued share capital of, and equity interest in, the Company. As at the date of this announcement and for the purpose of this specific performance obligation, the Lim Family, together or individually, controls (directly or indirectly) and beneficially owns (directly or indirectly) approximately 79.72 per cent. of the issued share capital of the Company.*

*'The Facility Agreement also contains a specific performance obligation on Tan Sri Lim Kok Thay, the Chairman and Chief Executive Officer of the Company, and a member of the Lim Family whereby he is required to remain as the Chairman of the Company.*

### ***‘(3) Impact of breach of the Specific Performance Obligations***

*‘A breach of any of the specific performance obligations set out above would, subject to any available remedy period, constitute an event of default under the Facility Agreement. On and at any time after the occurrence of an event of default, the agent of the Facility could (i) cancel the total commitments of all or any of the lenders under the Facility Agreement; (ii) declare all amounts outstanding under the Facility Agreement (and related finance documents) immediately due and payable; and/or (iii) enforce the securities granted in connection with the Facility. The occurrence of such event of default could also trigger default provisions under other loan facilities of the Group, whereupon the relevant lenders could demand immediate repayment of all sums outstanding ‘under such other loan facilities.*

*‘This announcement is made pursuant to Rule 13.18 of the Listing Rules. In accordance with the requirements thereunder, disclosure will be included in the interim and annual reports of the Company for so long as the above specific performance obligations under the Facility Agreement continue to exist.’*

Tan Sri Lim Kok Thay () ... [CLICK TO ORDER FULL ARTICLE](#)

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