

**SMART UNION GROUP (HOLDINGS) LTD:
THINGS LOOK VERY BAD FOR THIS COMPANY**

Publicly listed [Smart Union Group \(Holdings\) Ltd \(11\)](#) (Code: 2700, Main Board, The Stock Exchange of Hongkong Ltd) is in serious financial trouble.

It is questionable that it can ride out its present financial storm.

It appears that the company is in dire need of cash in a hurry.

It is quite possible that the walls could close in on it before the year is out.

This is the opinion of **TARGET** () after scanning the most-recent intelligence, gathered from the company's own financial statements, as well as releases to shareholders along with information, obtained from **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).

The Interim Statement

Smart Union released its Interim Statement for the 6 months, ended June 30, 2008, on September 25, 2008.

The Interim Statement stated that the company had suffered a Loss Attributable to Shareholders of about \$HK200.56 million on a Turnover of about \$HK386.81 million.

According to the database of **TOLFIN**, the financial results of Smart Union for the 6-month period to June 30, 2008, marks the first time in the past 5 Financial Years, ended December 31, 2007, that this toy manufacturer had suffered any material losses in its operations.

The following table is lifted from the database of **TOLFIN** by permission:

	Financial Year, Ended December 31				
	2007	2006	2005	2004	2003
	All Figures Are Denominated In \$HK'000 (except where otherwise specified)				
Turnover	953,623	727,225	709,566	550,696	479,481
Gross Profit Margin	11.94 percent	16.81 percent	14.96 percent	14.42 percent	16.72 percent
Financing Costs	(19,035)	(11,242)	(5,773)	(1,839)	(1,827)

Net Profit Attributable To Shareholders	5,443	30,632	36,672	19,039	26,467
Net Profit Margin	0.57 percent	4.21 percent	5.17 percent	3.46 percent	5.52 percent

TARGET's financial analyst notes the very rapid deterioration of profit margins and the acceleration of financing costs, throughout the above-mentioned, 60-month period.

For the 6 months, ended June 30, 2008, it is stated that financing costs were about \$HK8.69 million (2007: \$HK6.96 million, as at June 30, 2007).

Bank balances, as at June 30, 2008, stood at about \$HK13.21 million (\$HK101.58 million, **as at December 31, 2007!**).

There has been a build-up of ... [CLICK TO ORDER FULL ARTICLE](#)

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