

**STARLIGHT INTERNATIONAL HOLDINGS LTD:  
THIS COMPANY COULD WELL SUFFER A LOSS IN 2009 ?**

With Starlight International Holdings Ltd () (Code: 485, Main Board, The Stock Exchange of Hongkong Ltd), having suffered its worst Financial Year for at least the past 5 Years in terms of the Net Profit Attributable to Shareholders in respect of the 12 months, ended March 31, 2008, and with the economic situation in the US, continuing to deteriorate, rapidly, it appears more than likely that this publicly listed company could well be facing the prospects of suffering a loss for the Current Financial Year.

Further, part of the statement of the Chairman, Mr Philip Lau Sak Hong (), contained in the 2008 Annual Report, with regard to one of the company's subsidiaries, namely, The Singing Machine Company Incorporated, in which Starlight International is deemed to be interested to the extent of 53.27 percent of its Issued and Fully Paid-Up Share Capital, is, clearly, an obfuscation of the facts, as this medium has discovered.

Looking at the financial results of Starlight International, firstly, for the 2008 Financial Year, on a Turnover of about \$HK2.20 billion, the Net Profit Attributable to Shareholders was about \$HK45.49 million.

The company determined not to recommend or to pay a Final Dividend in respect of the 2008-Year (2007: Final Dividend – 3.50 cents per share).

The 2008 Turnover represented a decrease of about 9.66 percent, compared with the 2007-Year, and the 2008 Net Profit Attributable to Shareholders represented a decrease of about 59 percent, compared with the 2007-Year.

On scanning the Consolidated Profit and Loss Account, one discovers the following:

1. Financing costs were about \$HK47.59 million in the 2008-Year (2007: \$HK26.98 million);
2. There was a decrease in the fair value of investments, held for trading, amounting to \$HK7.98 million (2007: An increase of about \$HK1.95 million);
3. Distribution costs rose in the 2008-Year to about \$HK295.48 million (2007: \$HK213.62 million); and,
4. The Gross Profit Margin rose from the 2007 figure of about 19.85 percent to the 2008 figure of about 24.23 percent.

The Consolidated Balance Sheet indicates that, as at the 2008 Balance Sheet Date, Starlight International had a debt load of about \$HK465.05 million.

That was an increase, Year-On-Year, of about \$HK135.53 million, equivalent to about 41.13 percent.

Of the total borrowings, \$HK232.75 million was unsecured, Note 29 to the accounts shows.

Also, of the total borrowings, \$HK430.16 million is 'Current' – that is, due within the 2009 Financial Year, ending March 31, 2009.

With this debt load and with the uncertainty, facing the Current Financial Year, it is hardly any wonder that Management determined to conserve its cash position.

Chairman Philip Lau Sak Hong ... [CLICK TO ORDER FULL ARTICLE](#)

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