

**STARLIGHT INTERNATIONAL HOLDINGS LTD:  
WILL THIS COMPANY PASS ROUND THE BEGGING BOWL ?**

There are very strong indications that publicly listed [Starlight International Holdings Ltd \(\)](#) (Code: 485, Main Board, The Stock Exchange of Hongkong Ltd) is facing a cash crunch.

Action will have to be taken in order to rectify this situation, probably sooner than later.

The Interim Report of the company in respect of the first half of the Current Financial Year to September 30, 2009, shows, inter alia, that Trade Debtors were in the books at about \$HK222,826,000, up from about \$HK102,003,000, compared with the period, ended March 31, 2009.

Debtors, Deposits and Prepayments totalled \$HK334,181,000, as at September 30, 2009, being the first half of the Current Financial Year, ending March 31, 2010.

That figure compares with \$HK181,451,000, being Debtors, Deposits and Prepayments, shown in the Current Assets of the Consolidated Balance Sheet in respect of the 2008-2009 Financial Year, ended March 31, 2009.

Of the sum of \$HK228,826,000, being Trade Debtors as at September 30, 2009, about \$HK183,566,000 has been outstanding for a period not exceeding 30 days (March 31, 2009: \$HK67,376,000).

The increase in Debtors, Deposits and Prepayments, with regard to the first half of the Current Financial Year, was about 84.17 percent in a period of just 6 months.

The increase in Trade Debtors, alone, for the period April 1, 2009, through to September 30, 2009, was about 124.33 percent.

And the increase in outstanding Trade Debtors, those Trade Debtors that owed money to Starlight International Holdings Ltd for a period not exceeding 30 days, has risen by about 172.45 percent, compared with the situation that existed as at March 31, 2009.

Turning to how much money Starlight International Holdings Ltd owes to its creditors with regard to the first half of the Current Financial Year, it is about \$HK188,456,000, up about \$HK68,133,000, compared with the situation that existed as at March 31, 2009.

Again, looking only at the amount of money that has been owed to the Company's creditors for the period, not exceeding 30 days, it was about \$HK140,838,000 (March 31, 2009: \$HK29,264,000).

Summarising the above: Starlight International Holdings Ltd is extending more and more credit to its customers while, at the same time, it is delaying relatively significant payments to its creditors.

This is not the best way to make friends and influence people in the investment community of Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), **TARGET()** would like to suggest.

**TARGET** conjectures that Senior Management of Starlight International Holdings Ltd has no option but to

adopt this anomalous method of doing business.

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