

**STARLIGHT INTERNATIONAL HOLDINGS LTD:
THE COMPANY PASSES ROUND THE BEGGING BOWL**

It has taken a long time in coming, but it, eventually, has come to pass: [Starlight International Holdings Ltd](#) (Code: 485, Main Board, The Stock Exchange of Hongkong Ltd) has launched what is almost certain to be the first of a number of cash-raising exercises.

That is if it is able to twist the arm of its friends and neighbours – which may be a difficult task.

TARGET (), many months ago, warned that this manufacturer of electronic products was on the balls of its arse and that it would need to raise money, one way or another, in order to keep the creditor wolves at bay.

And, last Tuesday, sure enough, the company announced that it would be raising between \$HK72.91 million and \$HK74.66 million in an Open Offer.

The reason for passing round the begging bowl: ‘... *for the Group’s working capital for daily operations ... and for financing the business in relation to Polaroid Licence ...*’.

Starlight International Holdings Ltd intends to execute a Capital Reorganisation by:

- a. A reduction of the Issued Share Capital whereby the Par Value of each and every share will be reduced from 40 cents to 10 cents; and, then,
- b. Subdividing each 40-cent shares into 4 Adjusted Shares of 10 cents each.

Then, that phase, having been accomplished, it is the intention of Management of Starlight International Holdings Ltd to raise ‘*not less than HK\$75.37 million, but no more than HK\$77.42 million, before expenses, by way of an open offer of not less than 628,071,062 Offer Shares and not more than 642,675,862 Offer Shares at the Subscription Price of HK\$0.12 per Offer Share on the basis of four (4) Offer Shares for every five (5) Adjusted Shares held on the Record Date and Time and payable in full on acceptance.*’

In short, existing shareholders of this company are being asked to pay 48 cents per lot of 5 existing shares and, in return, they will receive 4 additional shares for their money.

In terms of the present situation, the share price for the existing 40-cent share is about 30 cents so that, actually, existing shareholders of Starlight International Holdings Ltd could be said to be asked to pay about 60 percent more for their shareholding – just to maintain their present equity position in the company.

Further, in this medium’s opinion, the present share price of Starlight International Holdings Ltd does not reflect the company’s terribly deteriorated position, brought about by rank incompetence of Management.

At Page 4 of last Tuesday’s company announcement, one is treated to waffle:

‘The Board considers that the Capital Reorganisation will give greater flexibility to the Company to raise funds through the issue of new Adjusted Shares in the future, and accommodate and facilitate the allotment and issue of Offer Shares since the Company is not

permitted to issue new Shares below their nominal value under the laws of Bermuda and its Bye-Laws.

‘As such, the Board is of the view that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.’

The Subscription Price of 12 cents per share, one ... [CLICK TO ORDER FULL ARTICLE](#)

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