

**STARLIGHT INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 485)

**OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

Please refer to the attached announcement on the next page.

The board of directors currently comprises Mr. Lau Sak Hong Philip as Chairman; Mr. Lau Sak Kai Anthony and Mr. Lau Sak Yuk Andy as executive directors; Mr. Hon Sheung Tin Peter as non-executive director and Mr. Ho Hau Chong Norman, Mr. Chan Chak Chung and Mr. Chuck Winston Calptor as independent non-executive directors.



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**FOR IMMEDIATE RELEASE**

## **Singing Machine Announces Opening of \$13 Million Dollar Financing Facility with DBS Bank.**

Coconut Creek, FL, October 17, 2008 -- **The Singing Machine Company** (“Singing Machine” or the “Company”) (AMEX: SMD) proudly announces it has arranged for a multi-tiered financing program with DBS Bank Limited (“DBS”). The new credit facilities include: \$7.0 million in accounts receivable factoring, \$4.0 million in letter of credit financing for accounts payable, and \$2.0 million in negotiable export bills under letters of credit.

The parties to the credit agreement include the Company’s wholly owned subsidiary, SMC (Commercial Offshore De Macau) Limitada, DBS Bank, and BB&T Corporation. The interest on the letter of credit facilities and discounting charges on accounts receivable advances will be charged at a favorable rate of 1.5% per annum over LIBOR. The bank facility agreement is effective immediately and replaces the Company’s \$3.5M credit facility arrangement between the Company, Starlight Marketing Limited, Standard Chartered Bank Limited, and CIT Commercial Finance.

“We have been working with DBS on this program for several months and we are extremely pleased that a world-leading financial institution is choosing to invest in our success. Financing is the life blood of companies in our industry. Having low-cost, flexible credit facilities not only makes business easier, but it feeds growth and affirms the viability of your business model,” commented Tony Handal, C.E.O. “At a time when our global economy is one of the worst we have seen in decades and low cost credit is difficult, if not impossible to obtain, the fact that we have been able to achieve this credit facility speaks volumes about the legitimacy of our business and our management team. Our competitors are having trouble obtaining financing in this economy. As a result, this credit facility should provide Singing Machine with a real advantage in the marketplace. Our new facility provides the Company with almost four times the credit than our previous facility and at a lower interest rate. This will be integral in strengthening our relationships with our vendors and it affords us the flexibility to grow our business.”

### **About DBS Bank**

DBS is the largest bank in Singapore and a leading bank in Hong Kong. It provides a full range of services in corporate, SME, consumer and wholesale banking across Asia and the Middle East. With one of the highest credit ratings in the region, DBS is ready to serve customers throughout the world.

### **About BB&T Corporation**

BB&T Corporation, headquartered in Winston-Salem, N.C., is a fast growing, highly profitable financial holding company with \$137 billion in assets. BB&T Corporation is one of the top financial holding companies in the country.

### **About The Singing Machine**

Incorporated in 1982, The Singing Machine Company develops and distributes a full line of consumer-oriented karaoke machines and music under The Singing Machine™, Bratz, SoundX and other brand names. The first to provide karaoke systems for home entertainment in the United States, The Singing Machine sells its products in North America, Europe and Australia.

### **Forward-Looking Statements**

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about the Company's business based, in part, on assumptions made by management and include, but are not limited to statements about our financial statements for the fiscal year ended March 31, 2008. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including the risks that our vendors in China may not ship our products on the scheduled basis and that we will have sufficient cash flow to finance our working capital needs in the remaining periods of this fiscal year. In addition, you should review our risk factors in our SEC filings which are incorporated herein by reference. Such forward-looking statements speak only as of the date on which they are made and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.*