

MyStarU.com,Inc.  
Form 10-Q  
February 23, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2008

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-62236

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MYSTARU.COM, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

35-2089848  
(I.R.S. Employer  
Identification No.)

6 North Twelfth Road  
Country Garden  
Shunde District  
Foshan City, Guangdong  
China 528312

(Address of principal executive offices) (Zip Code)

(86) 757 2663 9986  
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company)  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of February 22, 2009, 171,364,316 shares of common stock, par value \$.001 per share were outstanding.

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## PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements.

MYSTARU.COM, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2008 (Unaudited)	September 30, 2008 (Audited)
<b>ASSETS</b>		
Current Assets		
Cash	\$ 794,452	\$ 302,632
Accounts Receivable, Net of Allowances for Doubtful Accounts of \$30,844 (September 30, 2008 - \$30,767) (Note 3)	11,583,215	10,387,036
Inventory	101,070	126,256
Prepaid Expenses	2,172,181	2,265,078
Prepaid Sales Incentives (Note 4)	5,052,357	-
Other Current Assets	386,068	623,567
<b>Total Current Assets</b>	<b>20,089,343</b>	<b>13,704,569</b>
Property & Equipment, Net of Accumulated Depreciation of \$15,230,456 (September 30, 2008 - \$13,644,708) (Note 8)	8,764,509	10,301,602
Intangible Assets		
Copyrights, Net of Accumulated Amortization of \$1,666,442 (September 30, 2008 - \$1,550,443) (Note 6, 7)	13,039,585	13,118,866
Goodwill (Note 5)	557,730	557,224
<b>Total Intangible Assets</b>	<b>13,597,315</b>	<b>13,676,090</b>
<b>TOTAL ASSETS</b>	<b>\$ 42,451,167</b>	<b>\$ 37,682,261</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts Payable	\$ 5,893,168	\$ 4,422,172
Customer Deposits	314,214	308,096
Accrued Liabilities	133,040	237,300
Short Term Debt (Note 14)	1,167,168	1,043,424
<b>Total Current Liabilities</b>	<b>7,507,590</b>	<b>6,010,992</b>
<b>Total Liabilities</b>	<b>7,507,590</b>	<b>6,010,992</b>
Minority Interest in Consolidated Subsidiaries (Note 12)	7,607,538	7,138,608
Commitment and Contingencies (Note 13)		
Stockholders' Equity (Note 10)		
Preferred stock, \$0.001 par value, authorized: 50,000,000 shares, zero shares issued and outstanding at December 31, 2008 and September 30, 2008	-	-
Common stock, \$0.001 par value, authorized: 300,000,000 shares, 163,364,316 and 151,014,316 shares issued and outstanding at December 31, 2008 and September 30, 2008	163,364	156,014
Additional Paid in Capital	24,644,719	24,301,719
Shares to be Issued	-	350
Deferred Stock-Based Compensation	(1,324,272)	(1,285,362)

Accumulated Other Comprehensive Income	48,993	30,251
Retained Earnings		