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STARLITE
STARLIGHT INTERNATIONAL HOLDINGS LIMITED
升岡國際有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 485)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,
RULE 13.09 OF THE LISTING RULES AND
INSIDE INFORMATION PROVISIONS UNDER PART XIVA
OF THE SECURITIES AND FUTURES ORDINANCE
AND
RESUMPTION OF TRADING**

This announcement is made by the Company in compliance with Rule 3.7 of the Takeovers Code and announcement pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

MEMORANDUM OF UNDERSTANDING

The Board announces that on 31 December 2013 (after trading hours), the Vendors entered into the non-legally binding MOU with the Purchaser pursuant to which the Vendors intend to sell and the Purchaser intends to purchase an aggregate of 1,076,758,361 Shares, representing approximately 53.9% of the issued share capital of the Company as at the date of this announcement and approximately 53% of the issued share capital of the Company assuming exercise in full of all outstanding options by all holders of options before Completion for a total consideration of HK\$185,202,438.09. A refundable deposit in the amount of HK\$20,000,000 has been paid upon the signing of the MOU.

As a result of the possible change in control of the Company upon Completion, the Purchaser will be required to make a mandatory offer for all the issued Shares (other than the Sale Shares and Shares owned or agreed to be acquired by the Purchaser and parties acting in concert with it) and for cancellation of the outstanding share options in accordance with Rule 26.1 of the Takeovers Code.

* *for identification purposes only*

Completion of the Proposed Transactions is subject to the satisfaction of the condition precedents described in the MOU and the Definitive Agreements and the negotiation and finalisation of the Definitive Agreements. There is no assurance the Proposed Transactions will materialise or eventually be consummated. Shareholders and investing public are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading of the Shares was halted with effect from 9:00 a.m. on Thursday, 2 January 2014 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 3 January 2014.

This announcement is made by the Company in compliance with Rule 3.7 of the Takeovers Code and pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

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The Consideration

The Consideration shall be paid by the Purchaser as to HK\$20,000,000 as refundable deposit (the "Deposit") upon the signing of the MOU; and (b) as to the balance of HK\$165,202,438.09 upon Completion.

In the event that (i) the Sale and Purchase Agreement has not been executed and delivered by the Vendors and the Purchaser on or before the end of the Exclusivity Period; or (ii) the Conditions set out in the Sale and Purchase Agreement have not been satisfied or waived on or before the Long Stop Date; or (iii) the Conditions have been fulfilled (or waived as the case may be) but Completion does not take place in accordance with the terms of the Sale and Purchase Agreement; or (iv) the Purchaser

rescinds the Sale and Purchase Agreement pursuant to the terms therein, the Vendors shall refund the Deposit (without interest) within three business days after the Purchaser has served a notice in writing demanding the same.

Reorganisation

The Group will undergo reorganisation comprising (i) the Distribution; and (ii) a Creditors' Scheme of Arrangement. It is a Condition that the Distribution be completed. The Vendors shall cause petitions for entering into the Creditors' Scheme of Arrangement be made to the relevant courts before Completion.

Conditions precedent

Completion shall be subject to the conditions precedent set out in the Sale and Purchase Agreement which shall include, among others:

- (a) the Shares remaining listed and traded on the main board of the Stock Exchange, and no notification or indication being received from the Stock Exchange or the SFC prior to Completion that the listing of the Shares on the Stock Exchange will or may be, for whatever reason, withdrawn or suspended for more than seven consecutive business days (excluding any suspension for the purpose of obtaining clearance from the SFC or Stock Exchange for the joint announcement and other announcements relating to, among other things, the sale and purchase of the Sale Shares);
- (b) the passing by the majority Shareholders or independent Shareholders (as appropriate) at the special general meeting of the Company of all resolutions required under the relevant laws and regulations, including without limitation, the Distribution, the transfer of the Scheme Companies to the Creditors' Scheme of Arrangement upon the Creditors' Scheme of Arrangement becoming effective, the Subscription Agreement, the issue of the Purchaser Convertible Bonds and the issue and allotment of the Conversion Shares;
- (c) the passing by the majority of the independent Shareholders at the special general meeting of the Company of resolutions approving any special deal in accordance with Rule 25 of the Takeovers Code (if any) arising or as a result of the Distribution and consent from the Executive in relation to such special deal;
- (d) the Subscription Agreement having been duly executed, remaining in full force and effect and not having been terminated in accordance with its terms;
- (e) the granting of approval by the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares which may only be subject to conditions as are customarily stipulated by the Stock Exchange for listing of shares, and such approval not having been revoked;

- (f) the obtaining of all necessary approval from the Bermuda Monetary Authority for the issue and allotment of the Conversion Shares;
- (g) completion of the Distribution;
- (h) all necessary approvals and consents in respect of the Definitive Agreements and the transactions contemplated thereunder have been obtained; and
- (i) the warranties given by the Vendors as set out in the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect as of the date of Completion by reference to the facts and circumstances subsisting as at that date.

The Conditions are to be fulfilled or waived (as the case may be) on or before 31 May 2014. None of the Conditions can be waived except that the Purchaser shall be entitled to waive Condition (a), (g) and (i) above by serving a notice in writing to the Vendors.

For indicative purposes, the parties shall use their best endeavours to fulfil the Conditions as soon as practicable and to complete the proposed sale and purchase of the Sale Shares by no later than 30 April 2014.

Exclusivity

The Vendors agree that during the Exclusivity Period neither the Vendors or their respective owners, officers, directors, representatives and advisors (collectively, the “Representatives”) shall (i) take any actions to invite or solicit proposals relating to, or accept or enter into any agreements or arrangements with any person with respect to any acquisition or purchase of assets or any debt or equity interest in the Company or its subsidiaries; (ii) participate in any discussion or negotiations regarding any such transaction with any other person or entity other than the Purchaser and its Representatives; or (iii) otherwise cooperate in any way with any offer or attempt by any person or entity to do the foregoing.

Information on the Vendors

Lau Sak Hong, Philip, Lau Sak Kai, Anthony, Lau Sak Yuk, Andy, Lau Shek Yuen, Lau Sek Hoi, Jacky, Lau Chu Lan, Carol and Lau Sak Kong, Stanley are siblings. Philip Lau Holding Corporation is a company beneficially owned by a discretionary trust, the discretionary objects of which include Lau Sak Hong, Philip and his associates and Wincard Management Services Limited is a company jointly owned by Lau Sak Hong, Philip, Lau Sak Kai, Anthony, Lau Sak Yuk, Andy, Lau Shek Yuen and Lau Sek Hoi, Jacky.

Information on the Purchaser

The Purchaser is a company incorporated in November 2013 in Samoa with limited liability, which has no other business operation except for entering into the transactions contemplated under the MOU. The Purchaser is wholly and beneficially owned by 遼寧實華集團股份有限公司 (Liaoning Shihua Group Company Limited*) (“**Liaoning Shihua**”), a company established under the laws of the People’s Republic of China and engaging in, among other things, property management, investment consultancy and property leasing in the People’s Republic of China, focusing on Liaoning province. Liaoning Shihua is majority-owned by Mr. Wang Jing and his family members.

GENERAL

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Proposed Transaction will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

As at the date of this announcement, the relevant securities of the Company comprise (i) 1,997,630,751 Shares; and (ii) 37,433,891 outstanding options to subscribe for Shares granted under the share option scheme of the Company adopted on 15 January 2008. Save as aforesaid, the Company has no other outstanding securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

The associates of the Company (having the meaning ascribed thereto under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

* *for identification purposes only*

“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Conditions”	the conditions precedent to the proposed sale and purchase of the Sale Shares as set out in the sub-paragraph headed “Conditions precedent” in this announcement and a “Condition” refers to any one of the conditions precedent
“Consideration”	the aggregate amount of HK\$185,202,438.09
“Conversion Shares”	new Shares to be issued and allotted by the Company pursuant to the exercise of the conversion rights attached to the Purchaser Convertible Bonds
“Creditors’ Scheme of Arrangement”	a scheme of arrangement between the Company and its creditors pursuant to Section 99 of the Companies Act 1981 of Bermuda and Section 166 of the Companies Ordinance (Chapter 32 of the laws of Hong Kong) pursuant to which interest in the Scheme Companies will be transferred to upon it becoming effective
“Definitive Agreements”	the Sale and Purchase Agreement and the Subscription Agreement
“Distribution”	a distribution in specie pursuant to which interest in certain members of the Group will be distributed to shareholders of the Company on a record date in specie
“Exclusivity Period”	the period commencing on the date of execution of the MOU and ending on the earlier of (i) 45 days following the date of execution of the MOU and (ii) the date of execution of the Sale and Purchase Agreement
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 May 2014

“MOU”	the memorandum of understanding dated 31 December 2013 entered into between the Vendors and the Purchaser in relation to the Proposed Transactions
“Proposed Transactions”	the proposed sale and purchase of the Sale Shares and the proposed subscription of the Purchaser Convertible Bonds
“Purchaser”	Achieve Prosper Capital Limited, a company incorporated in Samoa with limited liability and a wholly and beneficially owned by 遼寧實華集團股份有限公司 (Liaoning Shihua Group Company Limited*)
“Purchaser Convertible Bonds”	convertible bonds in the principal amount of HK\$75,000,000 to be issued by the Company to the Purchaser pursuant to the Subscription Agreement on terms and conditions set out therein
“Reorganisation”	the Distribution and the Creditors’ Scheme of Arrangement
“SFC”	The Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sale and Purchase Agreement”	the sale and purchase agreement to be entered into between the Vendors and the Purchaser in respect of the Sale Shares
“Sale Shares”	1,076,758,361 Shares, representing approximately 53.9% of the issued share capital of the Company as at the date of this announcement and approximately 53% of the issued share capital of the Company assuming exercise in full of all outstanding options by all holders of options before Completion
“Scheme Companies”	those members of the Group which will be transferred to the Creditors’ Scheme of Arrangement upon it becoming effective
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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“Subscription Agreement”	the subscription agreement to be entered into between the Company and the Purchaser in relation to the subscription of the Purchaser Convertible Bonds
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendors”	Lau Sak Hong, Philip (204,229,551 Shares), Philip Lau Holding Corporation (304,415,473 Shares), Wincard Management Services Limited (18,180,747 Shares), Lau Sak Kai, Anthony (72,548,000 Shares), Lau Sak Yuk, Andy (70,413,000 Shares), Lau Shek Yuen (349,038,461 Shares), Lau Sek Hoi, Jacky (26,983,129 Shares (including the 5,000,000 Shares pursuant to the exercise of the subscription rights attaching to the options held by him prior to Completion)), Lau Chu Lan, Carol (14,950,000 Shares) and Lau Sak Kong, Stanley (16,000,000 Shares)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

The directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

By Order of the Board
Starlight International Holdings Limited
LAU Sak Hong, Philip
Chairman

Hong Kong, 2 January 2014

As at the date of this announcement, the Board comprised Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony, Mr. Lau Sak Yuk, Andy and Ms. Lau Chu Lan, Carol as executive directors, Mr. Peter Hon Sheung Tin as non-executive director and Mr. Chan Chak Chung, Mr. Chuck Winston Calptor and Mr. Tang Yee Man as independent non-executive directors.