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**THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Starlight International Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance on the whole or any part of the contents of this circular.

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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION:  
ACQUISITION OF 20% EQUITY INTERESTS IN A SUBSIDIARY**

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A letter from the board of directors of the Company is set out on pages 3 to 5 of this circular.

\* *for identification purpose only*

16 October 2008

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Appendix – General information</b> .....	6

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:*

“Acquisition”	the acquisition of the Sale Shares subject to and upon the terms of the Transfer Documents
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Starlight International Holdings Limited, a company incorporated in the Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors, including independent non-executive directors, of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Starlight Industrial Holdings Limited, a wholly-owned subsidiary of the Company
“Sale Shares”	being 800,000 shares of HK\$1.00 each in the capital of the Target Company, representing 20% equity interests of the Target Company
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Shares”	ordinary share(s) of HK\$0.40 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Success Base Industries Limited (恆敏實業有限公司), a non-wholly owned subsidiary of the Company
“Transfer Documents”	the instruments of transfer and bought and sold notes dated 25 September 2008 and entered into between the Purchaser and the Vendors
“Vendors”	namely, Choi Chi Mo, Leung Ming Fai, Ng Yau Shun and Lin Chi Chuen
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Lau Sak Hong, Philip

Mr. Lau Sak Kai, Anthony

Mr. Lau Sak Yuk, Andy

*Non-executive Directors*

Mr. Hon Sheung Tin, Peter

*Independent non-executive Directors:*

Mr. Ho Hau Chong, Norman

Mr. Chan Chak Chung

Mr. Chuck Winston Calptor

*Registered office:*

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal place of  
business in Hong Kong:*

5th Floor

Shing Dao Industrial Building

232 Aberdeen Main Road

Hong Kong

16 October 2008

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION:  
ACQUISITION OF 20% EQUITY INTERESTS IN A SUBSIDIARY**

**INTRODUCTION**

The Board is pleased to announce that on 25 September 2008, the Group entered into the Transfer Documents with each of the Vendors in relation to the acquisition of the Sale Shares for an aggregate cash consideration of HK\$1,600,000, which had been fully paid by cash upon entering into the Transfer Documents.

The Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules as the relevant percentage ratios exceed 5% but less than 25%. As the Acquisition involves the transfer of shares from the Vendors, one of them is entitled to exercise or control 15% of the voting power at the general meeting of the Target Company; the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the consideration does not exceed HK\$10,000,000, the Acquisition is only subject to reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 and is exempted from the independent Shareholders' approval requirements. The purpose of this circular is to provide you with further details regarding the Acquisition and the transaction contemplated thereunder and the Group.

\* for identification purpose only

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## LETTER FROM THE BOARD

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### THE TRANSFER DOCUMENTS

On 25 September 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Transfer Documents with each of the Vendors in relation to the acquisition of aggregate of 20% equity interests of Target Company for an aggregate cash consideration of HK\$1,600,000.

To the best of the Directors' knowledge, information and belief having made reasonable enquiry, except for Mr. Lin Chi Chuen, who is entitled to exercise 15% of the voting power at the general meeting of the Target Company, being a connected person, each of the Vendors are third parties independent of and not connected with the Company and its connected persons.

### ASSET TO BE ACQUIRED:

Pursuant to the Transfer Documents, the Vendors agreed to sell and the Purchaser agreed to acquire the Sale Shares.

### CONSIDERATION:

The consideration for the Sale Shares is HK\$1,600,000, which had been fully paid by cash upon entering into the Transfer Documents.

The consideration for the Sale Shares was arrived at after arm's length negotiations between the parties to the Transfer Documents after having taken into account the built goodwill of the Target Company and the consideration represents a discount of HK\$5.7 million of the attributable net value of the Target Company at 31 March 2008 and 0.92 times of the five years average net profit figures for the years ended 31 March 2004 to 31 March 2008 of the Target Company. After considering the discount of the consideration in compare with the attributable net value and the profits of the Target Company, and also taking into account the high profit margin of the Target Company and its ability to provide the stable income stream to the Group, the Directors (including the independent non-executive Directors) consider that as acquiring the remaining 20% of the Target Company at a discount of 5.7 millions is a commercial viable term between the Vendors and the Group. Taking into account of the past profitable results instead of buying the Target Company at a premium, the Purchaser received a 5.7 millions discount, therefore it is definitely a bargaining deal in the interests of the Company and the Shareholders as a whole. Mr. Lin Chi Chuen, interested in 15% equity interests of the Target Company first acquire the said interest at a price of HK\$1.00 per shares, i.e. in aggregated HK\$600,000 for 600,000 shares of the Target Company. The consideration has been financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Transfer Documents and the consideration for the Sale Shares are fair and reasonable in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### REASONS FOR THE ACQUISITION

The Group is principally engaged in design, manufacture and sale of a wide range of electronic products and securities trading. The Target Company is principally engaging in manufacture and sale of plastic products, which was originally owned as to 80% by the Group and as to 1% by Mr. Choi Chi Mo, 1% by Mr. Leung Ming Fai, 3% by Mr. Ng Yau Shun and 15% by Mr. Lin Chi Chuen. After the Acquisition, the Target Company is wholly owned by the Group and its financial results will continuously be consolidated into the financial statements of the Group.

According to the audited financial statements of the Target Company, profit before taxation and net profit after taxation for the financial year ended 31 March 2008 were approximately HK\$28,326,491 and HK\$23,796,624 respectively and the profit before taxation and net profit after taxation for the financial year ended 31 March 2007 were approximately HK\$560,250 and HK\$560,250 respectively. The net assets value of the Target Company for the year ended 31 March 2008 was HK\$36,376,800.

The Board considers that the acquisitions of the Sale Shares will improve the management control over the Target Company and taking into account the Target Company is profit making throughout the year, the Acquisition is fair and reasonable in normal commercial terms and in the interest of the Company and the Shareholders as a whole.

### MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY

For the financial year ended 31 March 2008, the profit of the Target Company improved significantly as the Group has started the production of the Disney™ series of products which gave a higher profit margin and as the Target Company is responsible for the supply of plastic components for the Disney™ line of products, its profit increased satisfactory for the year ended 31 March 2008 and the management believed the Target Company will still give a stable income stream to the Group for the year ending 31 March 2009.

### FINANCIAL EFFECT

Upon Completion, the accounts of the Target Company will continue to be consolidated with that of the Group. Given the prospects of the Target Company, the Group expects that its earnings will be enhanced in future and its assets will thereby be increased.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

By order of the Board  
**Starlight International Holdings Limited**  
**Lau Sak Hong, Philip**  
*Director*

## 1. RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Directors had or were deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

Name of Director	Nature of interest	Total number of Shares held	Percentage of the issued share capital of the Company (%)
Mr. Lau Sak Hong, Philip	Beneficial owner	95,693,029 (L)	12.14
	Held by controlled corporation and beneficial interest (Note 1)	3,165,277 (L)	0.40
	Held by controlled corporation and beneficial interest (Note 2)	10,100,415 (L)	1.28
	Held by trust (Note 3)	169,069,209(L)	21.45
		278,027,930 (L)	35.28

**APPENDIX****GENERAL INFORMATION**

Mr. Lau Sak Kai, Anthony	Beneficial owner	38,493,836 (L)	4.88
	Held by controlled corporation and beneficial interest (Note 1)	3,165,277 (L)	0.40
	Held by controlled corporation and beneficial interest (Note 2)	10,100,415 (L)	1.28
		51,759,528 (L)	6.57
Mr. Lau Sak Yuk, Andy	Beneficial owner	37,137,445 (L)	4.71
	Held by controlled corporation and beneficial interest (Note 1)	3,165,277 (L)	0.40
	Held by controlled corporation and beneficial interest (Note 2)	10,100,415 (L)	1.28
		50,403,137 (L)	6.40
Mr. Hon Sheung Tin, Peter	Beneficial owner	206,769 (L)	0.03
Mr. Chuck Winston Calptor	Beneficial owner	770,000 (L)	0.10

(L) Long position

Note:

1. These Shares are held by K.K. Nominees Limited, a company which is wholly and beneficially owned by Lau Sak Hong, Philip, Lau Sak Kai, Anthony and Lau Sak Yuk, Andy (hereinafter collectively with other family members referred to as the "Lau's family").
2. These Shares are held by Wincard Management Services Limited, a company which is wholly and beneficially owned by the Lau's family.
3. These Shares are wholly and beneficially owned directly or indirectly by Philip Lau Holding Corporation, a company beneficially owned by a discretionary trust, the discretionary objects of which include Lau Sak Hong, Philip and his associates.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as at the Latest Practicable Date.

**(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

*(i) Substantial shareholders of the Company:*

<b>Name of Shareholders</b>	<b>Nature of interest</b>	<b>Total number of Shares held</b>	<b>Percentage of the issued share capital of the Company (%)</b>
Deutsche Bank Aktiengesellschaft	Beneficial owner	79,013,494 (L)	10.03

*(L) Long position*

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interest or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

**4. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries had engaged in any litigation, arbitration or claim of material importance and there is no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

**5. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or, any other conflicts of interest within the Group.

**6. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2008, being the date to which the latest published audited financial statements of the Group was made up.

**7. INTEREST IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2008, being the date to which the latest published audited financial statements of the Company were made up.

Save as disclosed above, there is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant to the business of the Group.

**8. MISCELLANEOUS**

- (a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 5th Floor, Shing Dao Industrial Building, 232 Aberdeen Main Road, Hong Kong.
- (c) The principal branch share registrar and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The secretary of the Company is Mr. Lee Yip Wah, Peter who is a practicing solicitor in Hong Kong.
- (f) The qualified accountant of the Company is Mr. Chan Po Chung. He is a qualified accountant with over 20 years of auditing, commercial and financial experience.
- (g) The English text of this circular shall prevail over their respective Chinese text in case of inconsistency.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Transfer Documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong from the date of this circular up to and including 31 October 2008, being not less than 14 days from the date of this circular.