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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**

#### **MAJOR TRANSACTION: DISPOSAL OF REAL PROPERTY IN HONG KONG**

On 26 September 2011 (after trading hours), the Vendor entered into the Provisional Sale and Purchase Agreement with the Purchaser in relation to the disposal of the Property for a cash consideration of HK\$90,000,000.

The Purchaser are Independent Third Parties. The Disposal contemplated thereunder the Provisional Sale and Purchase Agreement constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. Since the applicable percentage ratios is more than 25% but less than 100%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Disposal is subject to the reporting, announcement and the Shareholders' approval requirements by way of poll at the SGM. Approval of the Shareholders by way of poll is proposed to be sought at the SGM in respect of the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular will be despatched as soon as practicable after publication of this announcement to the Shareholders containing among other things; (i) details of the Disposal; and (ii) a notice convening the SGM in compliance with the Listing Rules.

#### **PROVISIONAL SALE AND PURCHASE AGREEMENT**

**Date:** 26 September 2011 (after trading hours)

**Parties:**

**Vendor:** Starlight Exports Limited, a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company.

Purchaser: Most Million Limited, a company incorporated in Hong Kong with limited liability

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an investment holding company, and each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

**Asset to be disposed:**

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the Property, subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement.

**Consideration:**

The consideration for the Property is HK\$90,000,000 which will be settled by the Purchaser in cash in the following manner:

- (a) a sum of HK\$9,000,000, being the deposit and partial payment of the consideration which has been paid by the Purchaser to the Vendor upon signing of the Provisional Sale and Purchase Agreement;
- (b) a sum of HK\$9,000,000, being further deposit and partial payment of the consideration which shall be paid by the Purchaser to the Vendor on or before 11 October 2011 upon signing of the Formal Sale and Purchase Agreement; and
- (c) the balance of the consideration of HK\$72,000,000 shall be paid by the Purchaser to the Vendor on or before 30 March 2012.

The consideration for the Property, representing approximately HK\$16,236.69 per sq. feet, was arrived at after arm's length negotiations between the parties to the Provisional Sale and Purchase Agreement in normal commercial terms after having taken into account the market price/valuation of the Property where comparison based on market prices of comparable properties of similar size, character and location.

The Directors (including the independent non-executive Director) consider that the consideration for the Disposal arrived at after arm's length negotiation is fair and reasonable as the amount has taken into account the market price/valuation of the Property and has been verified by RHL Appraisal Limited, a professional independent valuer. The Directors consider that the terms of the Provisional Sale and Purchase Agreement are fair and reasonable and in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## Condition precedent

The completion of the Disposal is conditional upon the passing by the Shareholders at the SGM of the resolutions approving the Provisional Sale and Purchase Agreement and the transaction contemplated by such agreement.

## Completion

Completion shall take place on or before 30 March 2012. The Vendor shall delivery the Property in vacant possession in the Property to the Purchaser pursuant to the Provisional Sale and Purchase Agreement.

All deposits payable by the Purchaser shall be paid to the Vendor's solicitor as stakeholder who shall not release the same to the Vendor unless it is proved that the balance of the purchase price is sufficient to discharge the existing legal charge/mortgage.

## INFORMATION OF THE PROPERTY

The Property is a non-residential property which was acquired by the Vendor in 1993 at the cost of HK\$35,364,340. The market value of the Property was valued at HK\$79,000,000 as at 31 March 2011 by RHL Appraisal Limited, a professional independent valuer.

The revenue and net profit before and after taxation generated by the Property for the year ended 31 March 2010 and 31 March 2011 were as follows:

	For the year ended	
	31 March 2010	31 March 2011
Rental income	HK\$2,086,938	HK\$1,962,216
Net rental income (after deduction of government rent and rates and before taxation)	HK\$2,086,938	HK\$1,962,216
Net rental income (after deduction of government rent and rates and taxation)	HK\$2,086,938	HK\$1,962,216

As at 31 March 2011, the book value of the Property and the fixture were approximately HK\$79,000,000 and nil respectively.

It is expected that the Group will record a book gain, before tax and expense, from the Disposal of approximately HK\$11,000,000 being the difference between the net sale proceeds and the carrying value of the Property as at 31 March 2011.

## **REASONS FOR THE DISPOSAL**

The Group is principally engaged in investment holding and design, manufacture and sale of a wide range of electronic products and security trading.

Given the current rising property market in Hong Kong surpassed its previous peak in 1997 and the uncertainties in the macro economy, such as the future change in interest rate, tightening monetary policy in the PRC and the recent announce of raising the U.S. borrowing limit and avert an unprecedented debt default, the Directors is cautious on the increasing risk in the property market. The Directors consider that the Disposal presents a good opportunity for the Company to yield a reasonable return to its investment in the Property. The Directors believe that the terms of the Disposal are on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Sale and Purchase Agreements are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

The proceeds from the Disposal shall be applied towards the general working capital of the Group.

## **GENERAL**

As the applicable percentage ratios is more than 25% but less than 100%, the Disposal contemplated thereunder the Provisional Sale and Purchase Agreement constitutes a Major transaction on the part of the Company under Chapter 14 of the Listing Rules. The Disposal is subject to the reporting, announcement and the Shareholders' approval requirements by way of poll at the SGM. Approval of the Shareholders by way of poll is proposed to be sought at the SGM in respect of the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular will be despatched as soon as practicable after publication of this announcement to the Shareholders containing among other things; (i) details of the Disposal; and (ii) a notice convening the SGM in compliance with the Listing Rules.

## **DEFINITIONS**

The following expressions have the following meanings in this announcement.

“Board”	the board of Directors from time to time
“Company”	Starlight International Holding Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange

“Completion”	completion of the Disposal in accordance with the terms and conditions of the sale and purchase agreement to be entered into
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Deposit”	HK\$9,000,000, being the deposit of the Property under the Provisional Sale and Purchase Agreement
“Director(s)”	the director(s), including the independent non-executive directors of the Company from time to time
“Disposal”	the disposal of the Property subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	a non-residential property located on the Unit A on 26th Floor, United Centre, No. 95 Queensway, Hong Kong
“Provisional Sale and Purchase Agreement”	the provisional agreement for sale and purchase of the Property dated 26 September 2011 and entered into among the Purchaser and the Vendor
“Purchaser”	Most Million Limited, a company incorporated in Hong Kong with limited liability
“Share(s)”	ordinary issued share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Starlight Exports Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board of  
**Starlight International Holdings Limited**  
**Philip Lau Sak Hong**  
*Chairman and executive Director*

Hong Kong, 26 September 2011

*As at the date of this announcement, the board of Directors 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. Ho Hau Chong, Norman, Mr. Chan Chak Chung and Mr. Winston Calptor Chuck as independent non-executive Directors.*

\* *For identification purposes only*