
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**, you should at once hand this circular and the accompanying form of proxy 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.

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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)

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

A notice convening the SGM to be held at 5th Floor, Shing Dao Industrial Building, 232 Aberdeen Main Road, Hong Kong at 10:00 a.m. on 22 November 2011 is set out on pages 23 to 24 of this circular. A form of proxy for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

2 November 2011

* *for identification purpose only*

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 26 September 2011 in respect of, among other matters, the Disposal
“Board”	the board of Directors from time to time
“Company”	Starlight International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of 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”	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 Purchaser Agreement
“Directors”	the directors, 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
“Formal Sale and Purchase Agreement”	the formal sale and purchase agreement dated 11 October 2011 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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

DEFINITIONS

“Latest Practicable Date”	31 October 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“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 circular shall exclude Hong Kong, Taiwan and Macau Special Administrative Regions of the PRC
“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
“SFO”	Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to be held for the purpose of considering, and if thought fit, approving, among others, the Provisional Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of 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 for the time being of Hong Kong

LETTER FROM THE BOARD

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
Ms. Lau Chu Lan, Carol

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Non-executive Director:

Mr. Peter Hon Sheung Tin

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

5th Floor
Shing Dao Industrial Building
232 Aberdeen Main Road
Hong Kong

Independent non-executive Directors:

Mr. Ho Hau Chong, Norman
Mr. Chan Chak Chung
Mr. Chuck Winston Calptor

2 November 2011

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcement in which the Board announced that the Vendor and the Purchaser entered into the Provisional Sale and Purchase Agreement, pursuant to which, the Vendor has agreed to dispose of and the Purchaser has agreed to acquire the Property, at the consideration of HK\$90,000,000.

The Disposal constitutes a major transaction of the Company for the purpose of the Listing Rules. As such, the Provisional Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder will be subject to Shareholders' approval at the SGM to be held at 5th Floor, Shing Dao Industrial Building, 232 Aberdeen Main Road, Hong Kong on 22 November 2011 at 10:00 a.m.. As no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting at the SGM for the approval of the Disposal.

* *for identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other matters, details of the Disposal, other transactions contemplated thereunder and other general information of the Company.

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 owners is an Independent Third Party.

Assets 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 was 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 was paid by the Purchaser to the Vendor on 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 HK\$16,239.69 per sq. ft., 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.

LETTER FROM THE BOARD

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 ordinary resolution approving the Provisional Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated by such agreement.

Completion

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

All deposits paid by the Purchaser have been 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.

Formal Sale and Purchase Agreement

The Formal Sale and Purchase Agreement had been entered into between the Vendor and the Purchaser on 11 October 2011. The major terms of the Formal Sale and Purchase Agreement are equivalent to those in the Provisional Sale and Purchase Agreement.

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 Property is currently used as rental property.

The revenue and net profit before and after taxation generated by the Property for the years ended 31 March 2010 and 31 March 2011 respectively 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

LETTER FROM THE BOARD

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 are 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 Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

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 and the fixture as at 31 March 2011. As a result, solely, of the Disposal, (a) the Group's non-current asset (investment properties) will decrease by HK\$79,000,000 and (b) the Group's cash will increase by HK\$88,800,000 being the consideration net of estimated related costs and expenses. The working capital of the Group will increase by HK\$88,800,000 after the Disposal.

Upon Completion, the Property will cease to be an investment of the Company. The proceeds from the Disposal shall be applied towards the general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios are 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, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder. As no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting at the SGM.

LETTER FROM THE BOARD

To the best of knowledge, information and belief of the Directors after having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon its ultimate beneficial owners and their respective associates; and (ii) no obligation or entitlement of its ultimate beneficial owners and their respective associates as at the Latest Practicable Date, whereby it or he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its or his Shares to a third party, either generally or on a case-by-case basis.

SGM

A notice convening the SGM to be held at 5th Floor, Shing Dao Industrial Building, 232 Aberdeen Main Road, Hong Kong on 22 November 2011 at 10:00 a.m. is set out on pages 23 to 24 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

RECOMMENDATIONS

The Board considers that the Provisional Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions respectively contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM to approve the Provisional Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions respectively contemplated thereunder.

ADDITIONAL INFORMATION

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

By order of the Board
Starlight International Holdings Limited
Philip Lau Sak Hong
Chairman

1. INDEBTEDNESS

Borrowings

As at the close of business on 30 September 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular (the “Indebtedness Date”), the Group had the following outstanding borrowings:

	Total <i>HK\$'000</i>
Short term bank loans (<i>note b</i>)	77,800
Bank overdrafts (<i>note c</i>)	2,000
Loans related to bills discounted with recourse (<i>note d</i>)	110,307
Trust receipts and import loans (<i>note e</i>)	92,348
Debt factoring loans (<i>note f</i>)	24,697
Other loan (<i>note g</i>)	35,300
	<u>342,452</u>

Notes

- a) All borrowings are in current portion.
- b) The short term bank loans of approximately HK\$77,800,000 are secured and bear interest at 2.3% to 3.25% per annum.
- c) Bank overdrafts of approximately HK\$2,000,000 are secured and bear interest at 5.25% per annum.
- d) The loans related to bills discounted with recourse of approximately HK\$110,307,000, the Group will need to repay the financial institutions if there are credit losses on the receivables before the maturity date, accordingly, the Group continues to recognize the full carrying amount as a borrowing.
- e) The trust receipts and import loans of approximately HK\$92,348,000 are secured and bear interest at 2.05% to 3.85% per annum.
- f) The debt factoring loans of approximately HK\$24,697,000 are secured and bear interest at 2.05% to 2.55% per annum.
- g) The other loan is unsecured and interest free.

Contingent liabilities*The Company*

The Company had contingent liabilities in respect of corporate guarantees for banking facilities granted to certain subsidiaries in the aggregate amount of HK\$854,300,000. As at 30 September 2011, such facilities of approximately HK\$311,167,000 were utilized by the subsidiaries.

Apart from the above, the Company and its subsidiaries did not have any material contingent liabilities as at 30 September 2011.

Pledge of assets

As at 30 September 2011, the Group pledged certain major assets with the following carrying values to secure the general credit facilities granted to the Group and the margin accounts with securities brokers:

	<i>HK\$'000</i>
Investment held for trading and deposits with securities brokers	168
Bills discounted with recourse and factored debtor balances	135,004
Investment properties	69,700
Leasehold properties	<u>13,330</u>

Save as disclosed herein, and apart from intra-group liabilities and normal trade payables, as at the close of business on 30 September 2011, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

2. WORKING CAPITAL

Taking into account of the net proceeds arising from the Disposal of the Property and the financial resources of the Group, including internally generated funds and banking facilities available to the Group, the Directors, after due and careful consideration, are of the opinion that the Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

3. BUSINESS REVIEW AND PROSPECTS

Business Review

Results

The Group's performance was adversely affected by the weak consumer spending and slow economic recovery in our two major markets, North America and Europe. Unemployment continued to be high throughout these regions during the fiscal year. Our sales turnover decreased by 14% or HK\$101 million.

Electronics Division

Despite having the Polaroid brand in our video line, the market of the DVD category is contracting due to the popularity of on-line delivery of movie pictures. We also missed to capture the full benefits of the license when we acquired the license in April 2010 for most US sales are decided early in the calendar year. For us to take our competitors' shelf space, we must provide millions of dollars of mark down money to clear the inventory of our competitors. We did not pay these "entrance fees" to our retail customers as the risk was high with no assurance of future business.

In January 2011, we began selling a new line of digital imaging products under the Polaroid brand in US. Our launch of Polaroid cameras in January was at the Consumer Electronics Show in Las Vegas. We received good publicity from the appearance of Lady Gaga, who is the artistic designer for Polaroid. We made good progress in sales during the March quarter despite the camera products are highly seasonal.

Our line of karaoke and musical instrument was introduced in the Canadian market during the fiscal year and showed promising gain in sales during the fiscal year.

Our gross profit margin was similar to fiscal 2010 at 17%. Because our customers in North American and in Europe were facing slow economic recovery and high unemployment, we found it difficult to pass on the cost increases brought about by higher labor and material costs to our customers. Our margin was also affected by the weakened US dollar against the rising Chinese RMB, which is the functional currency in our manufacturing operation.

Selling and distribution costs were reduced by HK\$25 million and administrative expenses by HK\$13 million. The savings in distribution costs were attributable to the better operation of our logistic warehouse function.

Finance costs were reduced by HK\$3 million due to a lower level of borrowing.

The Group reported a net loss of HK\$43.9 million in fiscal 2011.

Securities Trading

The Group recorded a segment profit of HK\$117,000 for the year.

Prospect

During fiscal 2011, we progressively built up a strong marketing team in US to focus on selling the Polaroid lines of DVD, TV and camera. We have confidence in the performance of this group to open new accounts in fiscal 2012. The Polaroid Instant Camera is a popular seller. We will be adding to this concept instant mobile photo printers and papers in fiscal 2012.

Although the DVD market has contracted and the demand for Blu Ray DVD players has not gained speed, we are monitoring the trend and will be ready when we have the right indication. We are competitive in the LCD and LED TV market and will be selling more TV and DVD combo units to supplement the contraction in the stand alone DVD products in the future.

Our marketing focus will be on building up the digital imaging line to about 35% of our sales turnover in fiscal 2012. We are confident that Polaroid has access to the right technology partners to land new products with advanced technological features. We are hopeful that the talent of Lady Gaga as the Artist Director for Polaroid will bring new designs to please the consumers.

In anticipation that operating costs will continue to rise in southern China in the future, we will explore to out-source products from factories located in the less populous and less affluent regions of China as a strategy to keep our costs low.

We are encouraged by the upward trend in our turnover in the recent months. If the economic conditions did not deteriorate further in fiscal 2012, we are cautiously optimistic that the uptrend in sales is sustainable.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular, received from RHL Appraisal Ltd., an independent valuer, in connection with its valuation as at 26 September 2011 of the Property.



永利行評值顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 2730 6212

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Room 1010, 10/F, Star House,
Tsimshatsui, Hong Kong

Licence No.: C-015672

2 November 2011

The Board of Directors
Starlight International Holdings Limited
5/F, Shing Dao Industrial Building,
232 Aberdeen Main Road,
Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

We were instructed by Starlight International Holdings Limited (referred to as the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) to value the property interest in Hong Kong. We confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 26 September 2011 (the “Valuation Date”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interest represents its market value which we would define as intended to mean “the estimated amount for which a property interest should exchange on the Valuation Date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of the property interest is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

VALUATION METHODOLOGY

In our valuation, Direct Comparison Approach is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

VALUATION CONSIDERATIONS

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors effective from 1 January 2005.

VALUATION ASSUMPTIONS

Unless stated as otherwise, we have assumed that the property has been constructed, occupied and used in full compliance with, and without contravention of all Ordinances, except only where otherwise stated. We have further assumed that, for any use of the property upon which this report is based, all required licenses, permit, certificated, and authorizations have been obtained.

TITLE INVESTIGATION

We have caused searches for the property. However, we have not examined the original documents to verify the existing title to the property or any amendment which does not appear on the copies handed to us.

LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the property. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot infestation or any other defects. No tests were carried out on any of the services.

We have relied to a very considerable extent on the information provided by the Company, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on information contained in copies of documents provided to us and are therefore only approximations.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

CURRENCY

All monetary amounts stated in this report are in Hong Kong Dollar (“HKD”).

Our valuation certificate is herewith attached.

Yours faithfully,
For and on behalf of
RHL Appraisal Ltd.

Serena S. W. Lau <i>FHKIS, AAPI, MRICS, RPS(GP), MBA(HKU)</i> <i>Managing Director</i>	Ivan S. P. Lui <i>MHKIS, RPS(GP), AAPI, CPV, MCom, MSc, BSc</i> <i>Associate Director</i>
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Ms. Serena S. W. Lau is a Registered Professional Surveyor (GP) with over 19 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms. Lau is a Professional Member of The Royal Institution of Chartered Surveyors, an Associate of Australian Property Institute, a Fellow of The Hong Kong Institute of Surveyors as well as a registered real estate appraiser in the PRC.

Mr. Ivan S.P. Lui is a Registered Professional Surveyor (GP) with nearly 10 years' experience gained from various international banks and surveyors firms on property valuation in HKSAR, mainland China and the Asia Pacific Region. Mr. Lui is a Professional Member of The Hong Kong Institution of Surveyors, an Associate Member of Australian Property Institute with the qualification of Certified Practicing Valuer. Mr. Lui is specialized in Plant & Machinery, Mortgage Valuation, Premium Assessment and etc. Furthermore, he also focuses on asset portfolio management covering financial budgeting/planning, coordination, controlling and operation before joining RHL.

VALUATION CERTIFICATE

Property	Description and tenure	Particular of occupancy	Market Value in existing state as at 26 September 2011 HKD
Unit A on 26th Floor, United Centre, No. 95 Queensway, Hong Kong 240/1000th of 1722/74554th Shares of Inland Lot No. 8469	<p>The property comprises an office unit on the 26th floor of a 37-storey commercial building of reinforced concrete construction completed in 1981.</p> <p>The property has a gross floor area of approximately 5,543 sq.ft. and a saleable area of approximately 3,742 sq.ft.</p> <p>The property is held under Conditions of Sale No. UB11233 for a term of 75 years renewable for 75 years commencing on 4 August 1978.</p>	<p>The property is tenanted at a monthly rental of HK\$163,518.00 exclusive of rates and management fees for a term of 2 years commencing on 1 January 2010 and expiring on 31 December 2011.</p>	90,000,000

Notes:

The registered owner of the property is Shinning Start Investment Limited* for a consideration of \$35,364,340 vide memorial no. UB5901779 dated 31 December 1993.

* According to the Certificate of Registration of Change of Name, the registered owner "Shinning Start Investment Limited" has changed its corporate name to "Starlight Exports Limited".

1. RESPONSIBILITY STATEMENT

This circular, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company 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 Issuers contained in the Listing Rules, were as follows:

Interest in Shares:

Name of Director	Note	Nature of interests	Number of the Shares held	Approximate percentage of issued share capital
Mr. Philip Lau	Note 1 & 5	Beneficial Owner	184,681,452	12.27%
Mr. Anthony Lau	Note 2 & 5	Beneficial Owner	69,648,904	4.63%
Mr. Andy Lau	Note 3 & 5	Beneficial Owner	67,513,401	4.49%
Ms. Carol Lau	Note 4	Beneficial Owner	384,483	0.03%
K.K. Nominees Limited	Note 6	Interest of controlled corporation	5,697,497	0.38%

Name of Director	Note	Nature of interests	Number of the Shares held	Approximate percentage of issued share capital
Wincard Management Services Ltd	Note 7	Interest of controlled corporation	18,180,747	1.21%
Philip Lau Holding Corporation	Note 8	Held by Trust	304,324,576	20.22%
Hon Sheung Tin, Peter		Beneficial Owner	372,181	0.02%
Chuck Winston Calptor		Beneficial Owner	1,386,000	0.09%

Note:

1. Mr. Philip Lau is the chairman and an executive Director.
2. Mr. Anthony Lau is an executive Director and the brother of Mr. Philip Lau, Mr. Andy Lau and Ms. Carol Lau.
3. Mr. Andy Lau is an executive Director and the brother of Mr. Philip Lau, Mr. Anthony Lau and Ms. Carol Lau.
4. Ms. Carol Lau is an executive Director and the sister of Mr. Philip Lau, Mr. Anthony Lau and Mr. Andy Lau.
5. Mr. Philip Lau, Mr. Anthony Lau and Mr. Andy Lau are regarded as the parties acting in concert under the Takeovers Code and as such, they are deemed to be interested in the Shares held by each of them.
6. K.K. Nominees Limited is wholly and beneficially owned by Mr. Philip Lau, Mr. Anthony Lau and Mr. Andy Lau. Mr. Philip Lau, Mr. Anthony Lau and Mr. Andy Lau are deemed to be interested in the Shares owned by K.K. Nominees Limited.
7. Wincard Management Services Limited is wholly and beneficially owned by Mr. Philip Lau, Mr. Anthony Lau and Mr. Andy Lau. Mr. Philip Lau, Mr. Anthony Lau and Mr. Andy Lau are deemed to be interested in the Shares owned by Wincard Management Services Limited.
8. Philip Lau Holding Corporation is beneficially owned by a discretionary trust of which the discretionary objects include Mr. Philip Lau and his associates. Mr. Philip Lau is deemed to be interested in the Shares owned by Philip Lau Holding Corporation.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any 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.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any 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 Issuers contained in the Listing Rules.

(b) Interests of substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares 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 and section 336 of the SFO or, who were or were expected, 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 member of the Group:

Name	<i>Note</i>	Nature of interests	Number of the Shares held	Approximate percentage of issued share capital
Lee Yu Chiang	<i>1</i>	Beneficial owner	42,140,878	2.80%

Note:

1. Save as disclosed above and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares 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, was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

These interests were disclosed by Lee Yu Chiang since 29 September 2003 and had been adjusted as a result of the consolidation of shares in 2003. The percentage interest of Lee Yu Chiang in the Company has been reduced due to subsequent allotment of new shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares 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 and section 336 of the SFO, or who was 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 member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

4. COMPETING INTERESTS

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

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2011, being the date to which the latest audited financial statements of the Company were made up.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by any member of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the underwriting agreement dated 9 May 2010 entered into between the Company and five underwriters namely Mr. Chu Tai On, Mr. Yu Kam Ching, Peter, Mr. Chow, Stephen Wing Cheung, Mr. Fan Shi Hoo and Mr. Ng Kam Chin, in relation to underwriting of 628,071,062 offer shares at HK\$0.12 per offer Shares on the basis of four offer Shares for every five Shares held;

- (b) the Provisional Sale and Purchase Agreement; and
- (c) the Formal Sale and Purchase Agreement.

Save for the aforementioned, no contract, not being contracts in the ordinary course of business carried on by the Company or any of its subsidiaries, has been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date.

8. EXPERT'S QUALIFICATION AND CONSENT

The following are the qualifications of the expert who has been named in this circular or have given its opinions, letters or advice which are contained in this circular:

Name	Qualification
RHL Appraisal Limited (“RHL”)	Qualified professional independent valuers

RHL has no shareholding, directly or indirectly, in any member of the Group or any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

RHL has given and has not withdrawn its written consent to the issue of the circular, with the inclusion of the reference to its name and/or its opinion in the form and context in which they are included.

RHL has no direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Remaining Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Remaining Group since 31 March 2011, the date to which the latest published audited financial statements of the Group were made up.

9. INTEREST IN CONTRACTS AND ASSETS

No contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries is a party and in which any Director has a material interest, whether directly or indirectly, subsist at the date of this circular.

None of the Directors has any direct or indirect interest in any asset which has been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 March 2011, the date to which the latest published audited consolidated financial statements of the Group were compiled, up to and including the Latest Practicable Date.

10. MISCELLANEOUS

1. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
2. The principal share registrar of the Company is Butterfield Fulcrum Group (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.
3. The company secretary of the Company is Lo Tai On FCCA.
4. The auditor and reporting accountant of the Company is Deloitte Touche Tohmatsu.
5. The English text of this circular shall prevail over the Chinese text in case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (except Saturdays and public holidays) at the head office and principal place of business of the Company at 5th Floor, Shing Dao Industrial Building, 232 Aberdeen Main Road, Hong Kong as at the date of this circular up to and including 22 November 2011:

- (i) the memorandum and bye-laws of the Company;
- (ii) the annual reports of the Company for the two years ended 31 March 2011;
- (iii) the material contracts referred to in the section headed "Material contracts" in this appendix;
- (iv) the written consent referred to in the section headed "Expert's qualification and consent" in this appendix; and
- (v) this circular and the circular dated 31 May 2010 regarding open offer of the Company.

NOTICE OF SGM

STARLITE

STARLIGHT INTERNATIONAL HOLDINGS LIMITED

升岡國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 485)

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Starlight International Holdings Limited (the “Company”) is to be held at 5th Floor, Shing Dao Industrial Building, 232 Aberdeen Main Road Hong Kong on 22 November 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution with or without amendments to be taken by way of poll:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the Provisional Sale and Purchase agreement dated 26 September 2011 (the “**Provisional Sale and Purchase Agreement**”) and the Formal Sale and Purchase Agreement entered into between Starlight Exports Limited, a wholly-owned subsidiary of the Company, as the vendor and Most Million Limited, as the purchaser, in relation to the disposal of the non-residential property located in Admiralty for an aggregate consideration of HK\$90,000,000 (a copy of Provisional Sale and Purchase Agreement will be produced to the Meeting marked “A” and a copy of the Formal Sale and Purchase agreement will be produced to the Meeting marked “B” for the purpose of identification) and the transactions contemplated thereunder be and are thereby approved, confirmed and ratified; and
- (b) any director of the Company be and is thereby authorised to do all such acts and things and execute all documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation and completion of the Provisional Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the matters contemplated therein.”

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

Hong Kong, 2 November 2011

* *for identification purpose only*

NOTICE OF SGM

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

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or if such Shareholder is a holder of more than one share, more proxies to attend and vote in his stead. A proxy need not be a Shareholder.
2. In order to be valid, the form of proxy must be deposited with the branch share registrar of the Company in Hong Kong Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
3. Where there are joint registered holders of any shares of the Company, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the SGM personally or by proxy, that one of such holders so present whose name stands first on the registered of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorize to sign the same.
5. Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM if the Shareholders so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.