

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Announcements, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcements.

STARLITE
STARLIGHT INTERNATIONAL HOLDINGS LIMITED

升岡國際有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 485)

**CONNECTED TRANSACTION:
ISSUE OF CONVERTIBLE NOTES**

ISSUE OF CONVERTIBLE NOTES

On 26 April 2012 after trading hours, the Company and the Subscriber entered into the Subscription Agreement in respect of the issue of the Convertible Notes in the principal amount of HK\$36,300,000. Completion is subject to the conditions as set out in the paragraph headed “Conditions precedent” below. Detailed terms of the Convertible Notes are set out in the paragraph headed “Principal terms of the Convertible Notes”.

The SGM will be convened at which an ordinary resolution will be proposed to seek approval from the Independent Shareholders of, among other things, the issue of the Convertible Notes and the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes.

LISTING RULES IMPLICATIONS

As Mr. Lau is a connected person of the Company, the issue of the Convertible Notes constitutes a non-exempted connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders’ approval requirements.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the issue of the Convertible Notes. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

A circular containing, among other matters, further information on the issue of the Convertible Notes, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders, will be despatched to the Shareholders in compliance with the Listing Rules within 15 business days after the date of this announcement, i.e. on or before 18 May 2012.

SUBSCRIPTION AGREEMENT

1) Parties and Date

Date: 26 April 2012 (after trading hours)

Issuer: the Company

Subscriber: Mr. Lau

Mr. Lau is a Shareholder and a brother of Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony, Mr. Lau Sak Yuk, Andy and Ms. Lau Chu Lan, Carol, all being executive Directors. Accordingly, Mr. Lau is a connected person under the Listing Rules.

As at the date of this announcement, Mr. Lau holds an aggregate of 1,756,352 Shares, representing approximately 0.12% of the total issued share capital of the Company. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Lau does not hold any other securities in the Company.

2) Principal terms of the Convertible Notes

The principal terms of the Convertible Notes are arrived at after arm's length negotiations between the Company and the Subscriber and are summarized as follows:

Principal amount:	HK\$36,300,000 which shall be satisfied by setting off against the Outstanding Sum
Interest rate:	the Convertible Notes shall carry an interest of 1.5% per annum
Maturity date and redemption:	Unless previously redeemed, repurchased and cancelled or converted, any outstanding Convertible Notes shall be redeemed on the Maturity Date.
Ranking:	The Convertible Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and at all times rank pari passu among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Company.
Conversion:	Provided that the Company will maintain the public float in compliance with the Listing Rules upon conversion of the Convertible Notes, the holder of the Convertible Notes will have the right to convert the whole or part of the principal amount of the Convertible Notes into Conversion Shares.
Conversion period:	The holders of the Convertible Notes shall have the right to convert the whole or part of the principal amount of the Convertible Notes into Conversion Shares at any time and from time to time, from the date of issue of the Convertible Notes up to and including the date which is 3 days prior to the Maturity Date at the then prevailing conversion price
Conversion Price:	The Conversion Price is initially HK\$0.104 per Share,

subject to adjustment for, among other matters, subdivision or consolidation of Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events (which are the standard anti-dilution adjustment).

Voting: The Subscriber will not be entitled to attend or vote at any meeting of the Company by reason only of it being the holder of the Convertible Notes.

Transfer: With the prior notification to the Company, the Convertible Notes may be transferable provided that no transfer or assignment of the Convertible Notes shall be made to any other connected person of the Company without prior written consent of the Company.

Based on the initial Conversion Price of HK\$0.104 per Conversion Share, a maximum number of approximately 349,038,461 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes in full, which represent: (i) approximately 23.33% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.92% of the issued share capital of the Company as to be enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes in full.

The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

No application will be made for listing of, or permission to deal in, the Convertible Notes on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Company will seek a specific mandate from the Independent Shareholders for the allotment and issue of the Conversion Shares.

The initial Conversion Price of HK\$0.104 per Conversion Share was arrived at after arm's length negotiation between the Company and the Subscriber and represents:

- (i) a premium of approximately 4% over the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on 26 April 2012, being the last trading day immediately before the entering into of the Subscription Agreement; and
- (ii) a premium of approximately 1.96% over the average of the closing prices per Share of HK\$0.102 for the last five trading days up to and including 26 April 2012, being the last trading day immediately before the entering into of the Subscription Agreement.

3) Conditions precedent

Completion is conditional upon the fulfillment of the following conditions precedent:

- (i) if necessary, the passing by the Independent Shareholders at a special general meeting of the Company to be convened and held, of the necessary resolutions to approve the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares to the holder(s) of the Convertible Notes);

- (ii) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- (iii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares;
- (iv) the compliance of any other requirements under all applicable rules and regulations which requires compliance in relation to the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares to the holder(s) of the Convertible Notes); and
- (v) none of the warranties given by the Company under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

If any of the above conditions are not fulfilled on or before 30 June 2012 or such other date as the Company and the Subscriber may agree, the Subscription Agreement will cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement, save in respect of any antecedent breach of any obligation thereof.

4) Completion

Completion shall take place on or before the third business day following the date on which the above conditions are fulfilled (or such other date as the parties to the Subscription Agreement may agree).

REASON FOR THE ISSUE OF CONVERTIBLE NOTES

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the design, manufacture and sale of a wide range of electronic products and securities trading.

All the funds raised by the issue of the Convertible Notes will be used for repayment of the debt owed by the Company to the Subscriber. Hence, there will be no proceeds of funds. The Directors consider that the issue of the Convertible Notes is an appropriate means of such repayment since it will not have an immediate dilution effect on the shareholding of the existing Shareholders and the Convertible Notes bear a relatively low interest rate in comparison with external borrowings.

As such, the Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after the full conversion of the Convertible Notes is as follows (assuming there being no other change in the share capital of the Company):

<u>Shareholder</u>	At the date of this announcement		Immediately after the issue and allotment of the Conversion Shares upon full conversion of the Convertible Notes	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Lau's family members				
Philip Lau Holding Corporation (<i>Note 1</i>)	304,324,576	20.35%	304,324,576	16.50%
K.K. Nominees Limited (<i>Note 2</i>)	5,697,497	0.38%	5,697,497	0.31%
Wincard Management Services Limited (<i>Note 3</i>)	18,180,747	1.22%	18,180,747	0.99%
Mr. Lau Sak Hong Philip (<i>Notes 1, 2 and 3</i>)	184,681,452	12.35%	184,681,452	10.01%
Mr. Lau Sak Kai, Anthony (<i>Notes 2 and 3</i>)	69,648,904	4.66%	69,648,904	3.78%
Mr. Lau Sak Yuk, Andy (<i>Notes 2 and 3</i>)	67,513,401	4.51%	67,513,401	3.66%
Subscriber	1,756,352	0.12%	350,794,813	19.01%
Other family members of Lau's family (<i>Note 4</i>)	98,703,303	6.60%	98,703,303	5.34%
Other Directors				
Mr. Hon Sheung Tin, Peter	372,181	0.02%	372,181	0.02%
Mr. Chuck Winston Calptor	1,386,000	0.09%	1,386,000	0.08%
Public Shareholders				
Other public Shareholders	743,451,877	49.70%	743,451,877	40.30%
Total	<u>1,495,716,290</u>	<u>100%</u>	<u>1,844,754,751</u>	<u>100%</u>

Notes:

- Philip Lau Holding Corporation is a company incorporated in Republic of Nauru beneficially owned by a discretionary trust under which Mr. Lau Sak Hong Philip is the beneficiary. Mr. Lau Sak Hong Philip therefore deems to be interested in 304,324,576 Shares.*
- K.K. Nominees Limited is a company incorporated in Hong Kong and is beneficial owned as to 90% by Mr. Lau Sak Hong Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy. Mr. Lau Sak Hong Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy therefore deem to be interested in 5,694,497 Shares.*

3. *Wincard Management Services Limited is a company incorporated in Hong Kong and is beneficial owned as to 51.7% by Mr. Lau Sak Hong Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy. Mr. Lau Sak Hong Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy therefore deem to be interested in 18,180,747 Shares.*
4. *Other family members of Lau's family includes Ms. Lau Chu Lan, Carol, Mr. Lau Yat Tung, Mr. Lau Yat Sun, Ms. Lau Jun Jun, Mrs. Lau Yip Mi Ling, Mr. Lau Shek Hung, Ms. Lau Chui Wan, Mr. Lau Shek Hoi and Ms. Lai Wai Bing, who is interested in 384,483 Shares, 7,000,000 Shares, 41,051,362 Shares, 13,200,654 Shares, 9,046,100 Shares, 11,750,289 Shares, 3,000,000 Shares, 12,828,505 Shares jointly with Mr. Lau Yat Sun and 441,910 Shares respectively.*

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

SGM

The SGM will be convened at which resolution(s) will be proposed to seek approval of the issue of the Convertible Notes and the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes. Mr. Lau and his respective associates are required to abstain from voting at the SGM. To the best of the Directors' information, belief and knowledge, save for Mr. Lau and his respective associates, no parties have material interest in relation to the issue of Convertible Notes.

LISTING RULES IMPLICATIONS

As Mr. Lau is a connected person of the Company, the issue of the Convertible Notes constitutes a non-exempted connected transaction on the part of the Company under the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

As at the date of this announcement, Mr. Lau holds an aggregate of 1,756,352 Shares, representing approximately 0.12% of the entire issued share capital of the Company. Pursuant to Chapter 14A of the Listing Rules, Mr. Lau and his respective associates are required to abstain from voting on the resolution(s) at the general meeting of the Company to approve the issue of the Convertible Notes.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the issue of the Convertible Notes. An independent financial adviser will be appointed to advise the Independent Board Committee in this regard.

A circular containing, among other matters, further information on the issue of the Convertible Notes, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the letter from the Independent Board Committee to the Independent Shareholders, will be despatched to the Shareholders within 15 business days after the date of this announcement, i.e. on or before 18 May 2012.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	board of the Directors
“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 Subscription Agreement
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	the initial conversion price of HK\$0.104 (subject to adjustment) per Conversion Share upon conversion of the Convertible Notes
“Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes
“Convertible Notes”	the 1.5% coupon convertible notes in principal amount of HK\$36,300,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the board committee comprising all the independent non-executive Directors to advise the Independent Shareholders as to fairness and reasonableness of the issue of the Convertible Notes, the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Mr. Lau and his respective associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, 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 of the Company in accordance with the Listing Rules
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Maturity Date”	the eighteen months of issue of the Convertible Notes
“Mr. Lau” “Subscriber”	or Mr. Lau Shek Yuen, a Shareholder of the Company and the brother of Mr. Lau Sak Hong, Philip, an executive Director, being the subscriber of the Convertible Notes under the Subscription Agreement
“Outstanding Sum”	an amount of HK\$36,300,000 owed by the Company to the Subscriber
“SGM”	the special general meeting of Company to be convened to consider and, if thought fit, approve the issue of the Convertible Notes and the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Convertible Notes by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 26 April 2012 and entered into between the Company and the Subscriber in relation to the subscription and issue of the Convertible Notes
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of
Starlight International Holdings Limited
Lau Sak Hong, Philip
Executive Director

Hong Kong, 26 April 2012

As at the date of this announcement, the board of directors of the Company 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. Chuck Winston Calptor as independent non-executive directors.

** For identification purposes only*