

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

STARLITE

STARLIGHT INTERNATIONAL HOLDINGS LIMITED

升岡國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 485)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

INTERIM RESULTS

The Board of Directors of Starlight International Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

		Six months ended	
		30 September	
		2013	2012
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Turnover	3	160,684	269,156
Cost of sales		(162,489)	(233,100)
Gross (loss)/profit		(1,805)	36,056
Other income	4	8,945	4,902
Distribution costs		(22,030)	(26,692)
Administrative expenses		(34,042)	(41,468)
Net increase/(decrease) in fair value of financial instruments	5	325	(63)
Finance costs		(3,960)	(3,417)
Share of results of an associate		49	(149)

		Six months ended	
		30 September	
		2013	2012
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Loss before taxation	6	(52,518)	(30,831)
Taxation	7	1,538	(1,264)
Net loss for the period		<u>(50,980)</u>	<u>(32,095)</u>
Other comprehensive income (expense)			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference arising on translation of foreign operations		<u>(1,649)</u>	<u>(125)</u>
		<u>(1,649)</u>	<u>(125)</u>
Total comprehensive expense for the period		<u>(52,629)</u>	<u>(32,220)</u>
Loss for the period attributable to:			
Owners of the Company		(50,081)	(35,542)
Non-controlling interests		(899)	3,447
		<u>(50,980)</u>	<u>(32,095)</u>
Total comprehensive expense for the period attributable to:			
Owners of the Company		(51,786)	(35,659)
Non-controlling interests		(843)	3,439
		<u>(52,629)</u>	<u>(32,220)</u>
Loss per share			
– Basic and diluted	8	<u>(3.08) cents</u>	<u>(2.38) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2013

		At 30 September 2013 <i>HK\$'000</i> (Unaudited)	At 31 March 2013 <i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties		276,936	276,936
Property, plant and equipment	10	96,169	99,248
Prepaid lease payments		3,411	3,411
Goodwill		17,665	17,665
Interest in an associate		5,764	5,715
Available-for-sale investments		9,400	9,400
Deferred tax assets		14,322	12,589
		<u>423,667</u>	<u>424,964</u>
Current assets			
Inventories		221,656	185,529
Debtors, deposits and prepayments	11	111,708	38,240
Prepaid lease payments		121	121
Investments held for trading		1,179	1,043
Financial assets designated at fair value through profit or loss		32	25
Bank balances and cash		15,771	35,806
		<u>350,467</u>	<u>260,764</u>
Current liabilities			
Creditors and accrued charges	12	155,085	66,130
Taxation payable		1,046	2,043
Borrowings		142,301	91,135
Convertible notes	13	35,441	33,453
		<u>333,873</u>	<u>192,761</u>

		At 30 September 2013 <i>HK\$'000</i> (Unaudited)	At 31 March 2013 <i>HK\$'000</i> (Audited)
Net current assets		<u>16,594</u>	<u>68,003</u>
Total assets less current liabilities		<u>440,261</u>	<u>492,967</u>
Non-current liabilities			
Deferred tax liabilities		<u>7,942</u>	<u>8,243</u>
Net assets		<u>432,319</u>	<u>484,724</u>
CAPITAL AND RESERVES			
Share capital	<i>14</i>	<u>162,781</u>	162,731
Reserves		<u>258,396</u>	<u>310,162</u>
Equity attributable to owners of the Company		<u>421,177</u>	472,893
Non-controlling interests		<u>11,142</u>	<u>11,831</u>
Total equity		<u>432,319</u>	<u>484,724</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Share capital	Share premium	Merger reserve	Goodwill reserve	Capital reserve	Investment revaluation reserve	Other property revaluation reserve	Translation reserve	Share option reserve	Warrant reserve	Convertible note reserve	Capital redemption reserve	Accumulated profits/(loss)	Sub-total	Share of net assets of subsidiaries	Share option reserve of a listed subsidiary	Sub-total	Total
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At 1 April 2012	149,571	132,582	37,138	-	85	-	52,578	9,220	3,936	-	-	292,448	(160,015)	517,543	(418)	707	289	517,832
Exchange difference arising on translation of foreign operations and expense recognised directly in equity	-	-	-	-	-	-	-	(117)	-	-	-	-	-	(117)	(8)	-	(8)	(125)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(35,542)	(35,542)	3,447	-	3,447	(32,095)
Total recognised income and expense for the period	-	-	-	-	-	-	-	(117)	-	-	-	-	(35,542)	(35,659)	3,439	-	3,439	(32,220)
	149,571	132,582	37,138	-	85	-	52,578	9,103	3,936	-	-	292,448	(195,557)	481,884	3,021	707	3,728	485,612
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	1,564	-	-	-	-	1,564	-	-	-	1,564
Issue of convertible notes	-	-	-	-	-	-	-	-	-	-	3,687	-	-	3,687	-	-	-	3,687
At 30 September 2012	149,571	132,582	37,138	-	85	-	52,578	9,103	5,500	-	3,687	292,448	(195,557)	487,135	3,021	707	3,728	490,863
At 1 April 2013	162,731	137,855	37,138	-	106	-	52,578	9,290	5,031	-	5,560	292,448	(229,844)	472,893	11,067	764	11,831	484,724
Exchange difference arising on translation of foreign operations and expense recognised directly in equity	-	-	-	-	-	-	-	(1,705)	-	-	-	-	-	(1,705)	56	-	56	(1,649)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(50,081)	(50,081)	(899)	-	(899)	(50,980)
Total recognised income and expense for the period	-	-	-	-	-	-	-	(1,705)	-	-	-	-	(50,081)	(51,786)	(843)	-	(843)	(52,629)
	162,731	137,855	37,138	-	106	-	52,578	7,585	5,031	-	5,560	292,448	(279,925)	421,107	10,224	764	10,988	432,095
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59	-	59	59
Deemed partial disposal of a subsidiary	-	-	-	-	20	-	-	-	-	-	-	-	-	20	(20)	-	(20)	-
Issue of shares upon exercise of share options	50	14	-	-	-	-	-	-	(14)	-	-	-	-	50	-	-	-	50
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115	115	115
At 30 September 2013	162,781	137,869	37,138	-	126	-	52,578	7,585	5,017	-	5,560	292,448	(279,925)	421,177	10,263	879	11,142	432,319

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Six months ended	
	30 September	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(65,946)	(34,256)
Net cash generated from/(used in) investing activities	302	(1,266)
Net cash generated from/(used in) financing activities	47,314	(14,206)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(18,330)	(49,728)
Cash and cash equivalents at beginning of period	35,806	90,989
Effect of exchange difference	(1,705)	–
	<hr/>	<hr/>
Cash and cash equivalents at end of period	15,771	41,261
	<hr/> <hr/>	<hr/> <hr/>
Analysis of balances of cash and cash equivalents		
Bank balances and cash	20,794	41,261
Bank overdrafts	(5,023)	–
	<hr/>	<hr/>
	15,771	41,261
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

1. BASIS OF PREPARATION

This unaudited condensed consolidated financial statements for the six months ended 30 September 2013 has been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current period, the Group has applied, for the first time, a number of new or revised standards and interpretations (“new or revised HKFRSs”). The adoption of new or revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements for the current or prior accounting periods.

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities ²
HKFRS 9	Financial instruments ¹
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ²
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ²
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ²
HK(IFRIC) – INT 21	Levies ²

¹ Effective for annual periods beginning on or after 1 January 2015.

² Effective for annual periods beginning on or after 1 January 2014.

3. SEGMENT INFORMATION

The Group is organised into three operating divisions, namely design, manufacture and sale of electronic products (representing consumer electronic audio and video equipment, imaging products, musical instruments and accessories), property investment and securities trading. These divisions are the basis on which the Group reports its segment information.

Segment revenue and results

An analysis of the Group's revenue, which represents sales of goods, and results by reportable segments is as follows:

SIX MONTHS ENDED 30 SEPTEMBER 2013

	Design, manufacture and sale of electronic products <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Securities trading <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
TURNOVER	<u>160,684</u>	<u>–</u>	<u>–</u>	<u>160,684</u>
SEGMENT RESULTS	<u>(50,735)</u>	<u>4,003</u>	<u>335</u>	<u>(46,397)</u>
Interest income				5
Unallocated expense				(2,215)
Share of results of an associate				49
Finance costs				<u>(3,960)</u>
Loss before taxation				<u>(52,518)</u>

SIX MONTHS ENDED 30 SEPTEMBER 2012

	Design, manufacture and sale of electronic products <i>HK\$'000</i> (unaudited)	Property investment <i>HK\$'000</i> (unaudited)	Securities trading <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
TURNOVER	<u>269,156</u>	<u>–</u>	<u>–</u>	<u>269,156</u>
SEGMENT RESULTS	<u>(26,710)</u>	<u>3,663</u>	<u>89</u>	<u>(22,958)</u>
Interest income				5
Unallocated expense				(4,312)
Share of results of associates				(149)
Finance costs				<u>(3,417)</u>
Loss before taxation				<u>(30,831)</u>

4. OTHER INCOME

	Six months ended	
	30 September	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Other income includes:		
Commission	–	97
Exchange gain, net	1,354	–
Gain on disposal of property, plant and equipment	1,053	–
Income from investments	10	202
Interest income	5	5
Rental income	4,760	3,834
Miscellaneous income	1,763	764
	<u>8,945</u>	<u>4,902</u>

5. NET INCREASE/(DECREASE) IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	Six months ended	
	30 September	
	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Increase in fair value of derivative financial instruments	–	42
Increase in fair value of financial assets designated at fair value through profit or loss	7	5
Increase/(decrease) in fair value of investments held for trading	318	(110)
	<u>325</u>	<u>(63)</u>

6. LOSS BEFORE TAXATION

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	4,608	10,146
Minimum lease payments under operating leases in respect of rented premises	5,391	4,703
Release of prepaid lease payments	121	60
Interest on bank borrowings wholly repayable within five years	1,972	3,556
Imputed interest on convertible notes	1,988	604
Share-based payments	–	1,564
Staff costs including directors' remuneration and share-based payments	30,641	30,232

7. TAXATION

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The (credit) charge comprises:		
Hong Kong Profits Tax	195	–
Taxation in other jurisdictions	(1,336)	1,195
Deferred taxation	(397)	69
	(1,538)	1,264

No provision of Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both periods.

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the period.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share is computed based on the following data:

	Six months ended	
	30 September	
	2013	2012
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>HK\$(50,081,000)</u>	<u>HK\$(35,542,000)</u>
Weighted average number of shares for the purpose of basic loss earnings per share	<u>1,627,566,290</u>	<u>1,495,716,290</u>

The calculation of diluted loss per share for both periods does not assume the exercise of the outstanding share options and the conversion of the outstanding convertible notes as it would result in a decrease in the loss per share.

9. INTERIM DIVIDEND

The directors have resolved not to pay an interim dividend for the year ending 31 March 2014 (Year ended 31 March 2013: nil).

10. PROPERTY, PLANT AND EQUIPMENT

	30 September	31 March
	2013	2013
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Net book value at 1 April 2013 and 1 April 2012	99,248	143,998
Additions	1,065	2,841
Disposal	(307)	(2,882)
Depreciation	(4,608)	(19,075)
Impairment loss recognised in profit or loss	–	(25,634)
Currency realignment	771	–
	<u>96,169</u>	<u>99,248</u>

11. DEBTORS, DEPOSITS AND PREPAYMENTS

At 30 September 2013, debtors, deposits and prepayments includes trade debtors of HK\$97,158 (31 March 2013: HK\$25,837). The Group provides credit periods of up to 90 days, depending on the products sold, to its trade customers. The following is an aged analysis of accounts receivable at the reporting date:

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
0 – 30 days	93,348	16,308
31 – 60 days	1,375	1,262
61 – 90 days	298	1,565
Over 90 days	2,137	6,702
	<u>97,158</u>	<u>25,837</u>

12. CREDITORS AND ACCRUED CHARGES

At 30 September 2013, creditors and accrued charges includes trade creditors of HK\$95,594 (31 March 2013: HK\$28,781). The aged analysis of trade creditors at the balance sheet date is as follows:

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
0 – 30 days	76,509	10,134
31 – 60 days	7,544	2,978
61 – 90 days	2,119	707
Over 90 days	9,422	14,962
	<u>95,594</u>	<u>28,781</u>

13. CONVERTIBLE NOTES

On 15 June 2012, the Company issued 1.5% coupon convertible notes in principal amount of HK\$36,300,000 due eighteen months from the issue of the convertible notes and at an initial conversion price of HK\$0.104 (subject to anti-dilutive adjustment) per share of the Company. The convertible notes entitle the holder thereof to convert the notes into new shares of the Company at any time on or before the maturity date. Unless previously converted, purchased and cancelled, the convertible notes will be redeemed at 100% of the outstanding principal amount on the maturity date.

Convertible notes contain two components: liability and equity elements. The fair values of the liability components of the convertible notes were determined by using market rates for a similar non-convertible note. The fair value of the liability component was calculated using discount rate at 11.8% per annum. The movement of the liability component of the convertible notes is set out below:

	<i>HK'000</i>
Equity component at 30 September 2013 and 31 March 2013	5,560
Liability component at 31 March 2013	33,453
Imputed interests for the period	1,988
Liability component at 30 September 2013	35,441

14. SHARE CAPITAL

	Number of shares	<i>HK\$'000</i>
Ordinary shares		
Authorised:		
At 1 April 2012, 31 March 2013 and 30 September 2013 of HK\$0.10 each	5,000,000,000	500,000
Issued and fully paid:		
Balance at 1 April 2012	1,495,716,290	149,571
Issue of shares upon exercise of share options	131,600,000	13,160
Balance at 31 March 2013	1,627,316,290	162,731
Issue of shares upon exercise of share options	500,000	50
Balance at 30 September 2013	1,627,816,290	162,781

15. CAPITAL COMMITMENTS

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Contracted for but not provided in the consolidated financial statements in respect of: – capital expenditure for acquisition of property, plant and equipment	<u><u>201</u></u>	<u><u>453</u></u>

16. CONTINGENT LIABILITIES

There are no significant contingent liabilities as of 30 September 2013 and 31 March 2013.

17. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended	
	30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term benefits	2,619	4,937
Post-employment benefits	<u><u>40</u></u>	<u><u>49</u></u>

18. EVENTS AFTER THE REPORTING PERIOD

On 4 October 2013 and 21 October 2013, the Company granted a total of 1,500,000 and 800,000 share options to an advisor of the Group at an exercise prices of HK\$0.115 and 0.120 per share respectively and vested immediately under the terms of the New Scheme.

GROUP RESULTS

For the six months ended 30 September 2013, the Group recorded a turnover of HK\$161 million, a decrease of 40% compared to the turnover of HK\$269 million for the corresponding period in 2012.

The gross loss margin in the six months ended 30 September 2013 was 1% compared to the gross profit margin of 13.4% in the comparable period last year.

The loss attributable to owners of the Company was HK\$50 million (2012: HK\$36 million).

REVIEW AND PROSPECTS

Sales decreased by HK\$108 million were mainly due to a drop in orders of LCD TV from our customers and a delay in shipment of karaoke and other audio video goods from our outside vendors. Dwindling demand of TV sets in North America and a strong competition in price cutting was the main cause of our loss in TV sales. Over inventory of karaoke products by our retail customers from last year coupled with production delay from several of our vendors also attributed to the sales decrease in the current six months as compared to last year.

Gross loss in the current period was a result of high factory overhead relative to the volume of production output. As demands of LCD TV declined our production volume decreased. Absorption of fixed overhead per unit of output became high. Gross profit margin before the absorption of factory overhead per output unit averaged 13% but became negative of 1% after absorption of the factory overhead.

Decrease in distribution costs of HK\$4.7million was related to reduction in sales activities. Administrative expenses also decreased by HK\$7.4 million as a result of further cuts in payroll and lower insurance costs due to reduced sales liabilities.

Net loss before taxation increased from HK\$31 million in 2012 to HK\$53 million in the current period. The increase in net loss was due to a decrease in gross profit to gross loss in the manufacturing operation.

A subsidiary of the Group developed a new karaoke product using wireless technology to play karaoke music on line. This product received the honoree award given by the International Consumer Electronics Show (CES) organization 2014 for design and innovation. Management is pleased with this honor and we anticipate good publicity and media coverage will boost the sales in the coming year.

Management is reviewing the overcapacity factory space and will formulate plans to correct the situation.

FINANCIAL POSITION

Liquidity and financial resources

As at 30 September 2013, cash and deposits amounted to HK\$16 million, as compared to HK\$36 million as at 31 March 2013. Cash was primarily used on repaying short term bank loans, with an aim to release trade facilities to finance the increase in inventory leading up to the holiday selling season.

Gearing ratio calculated as total borrowings to shareholders' funds was 0.33 (31 March 2013: 0.19), and net borrowings to shareholders' funds was 0.29 for the period (31 March 2013: 0.12). Current ratio calculated as current assets to current liabilities was remained at 1.05 (31 March 2013: 1.35).

Financing and capital structure

The Group finances its operations from retained earnings, short term bank borrowings and convertible note. As at 30 September 2013, the Group's total borrowings was HK\$142 million (31 March 2013: HK\$91 million), of which the whole amount is repayable within one year. All borrowings were denominated in Hong Kong dollars or US dollars at prevailing market rate.

The Group's transactions were mostly denominated in US dollars and HK dollars. The exposure to exchange risk was insignificant.

STAFF

As at 30 September 2013, the Group had a total staff of 432 of which 404 were employed in the PRC for the Group's manufacturing business.

The Group provides employee benefits such as health insurance, retirement scheme, discretionary bonus and share option scheme and also provides in-house training programmes and external training sponsorship.

CORPORATE GOVERNANCE

The Company has met the code provisions of the Corporate Governance Code (“the Code”) as set out in the Appendix 14 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 September 2013 except as below:

1. Pursuant to code provision A.2.1, the roles of chairman and chief executive officer of an issuer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Lau Sak Hong, Philip is currently the chairman and managing director of the Company. Having considered the current business operation and the size of the Group, the board of directors of the Company is of the view that Mr. Lau acting as both the chairman and managing director of the Company is acceptable and in the best interests of the Company. The Board will review this situation periodically.
2. The Company was incorporated in Bermuda and enacted by private act, the Starlight International Holdings Limited Company Act, 1989 of Bermuda (the “1989 Act”). Pursuant to section 3(e) of the 1989 Act, director holding office as executive chairman or managing director shall not be subject to retirement by rotation at each annual general meeting as provided in the bye-laws of the Company (“the Bye-laws”). As the Company is bound by the provisions of the 1989 Act, the Bye-laws cannot be amended to fully reflect the requirements of the code provision A.4.2 which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

To enhance good corporate governance practices, Mr. Lau Sak Hong, Philip, the chairman and managing director of the Company will voluntarily retire from his directorship at annual general meeting of the Company at least once every three years in order for the Company to comply with the Code, provided that, being eligible for re-election, he may offer himself for re-election at the annual general meeting.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules, as the code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors, they all confirmed that they have complied with the Model Code throughout the six months period ended 30 September 2013.

AUDIT COMMITTEE

The Company has established an audit committee currently comprising Mr. Chan Chak Chung, Mr. Hon Sheung Tin, Peter and Mr. Tang Yee Man. Terms of reference of the audit committee have been updated in compliance with the Code. The audit committee together with the management of the Company has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including review of the interim report for the six months ended 30 September 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2013, there was no purchase, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

BOARD OF DIRECTORS

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

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

Hong Kong, 28th day of November 2013

* *For identification purpose only*