

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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)

DISCLOSEABLE TRANSACTION:

**ACQUISITION OF SHAREHOLDINGS IN
INTERFORCE LIMITED**

The Board announces that on 23 June 2006, the Purchaser entered into the Sale and Purchase Agreement with the Vendors in relation to the acquisition of the Sale Shares for a consideration of HK\$7,000,000.

The Acquisition constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

A circular containing, among other matters, further details of the Acquisition, will be despatched to the Shareholders within 21 days after the publication of this announcement.

SALE AND PURCHASE AGREEMENT

Date: 23 June 2006

Parties: (1) Vendors: Mr. Eric Burq and Mr. Serge Kokkinis
(2) Purchaser: koncepts International Limited

The Vendors are the 100% beneficial shareholders of Interforce. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

The Purchaser is a wholly owned subsidiary of the Company incorporated in Hong Kong with limited liability and is principally engaged in the development, manufacturing and sale of consumer electronic products.

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire:

The Sale Shares

150,000 existing shares of HK\$1.00 in the issued share capital of Interforce, representing 30% of the entire issued share capital of Interforce, of which 75,000 shares belong to Mr. Eric Burq and 75,000 shares belong to Mr. Serge Kokkinis. The following table depicts the changes in the shareholding structure of Interforce before and after Completion:

Shareholders	Before Completion of the Acquisition		After Completion of the Acquisition	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Mr. Eric Burq	250,000	50	175,000	35
Mr. Serge Kokkinis	250,000	50	175,000	35
The Purchaser	—	—	150,000	30
Total	500,000	100	500,000	100

Pursuant to the Sale and Purchase Agreement, subsequent sale of the shares is not prohibited.

Consideration:

The consideration for the Acquisition is HK\$7,000,000 and shall be payable by the Purchaser at Completion by way of a cashier order issued by a licensed bank in Hong Kong. The Consideration was determined by reference to the price earning ratio of about 7 times Interforce Group. As the net profit of Interforce Group for the year ended 31 December 2005 was approximately HK\$3,300,000, which when multiplied this by the price earning ratio of 7 and multiplied by 30% (which the Purchaser is now acquiring); the amount is approximately HK\$6,930,000. As the consideration was determined based on a relatively low price earning ratio of Interforce Group, the Directors consider the consideration to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The consideration for the Acquisition was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement. The Directors consider the terms of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion has already taken place immediately after the signing of the Sale and Purchase Agreement.

The Vendors warrant and guarantee to the Purchaser that the Actual NAV based on the unaudited consolidated balance sheet of Interforce Group as at the NAV Determination Date, will not be less than HK\$7,500,000. If the Actual NAV is less than HK\$7,500,000, the Vendors shall pay to the Purchaser a sum calculated according to the following formula within seven days at the request of the Purchaser:

$$\text{Sum} = \text{HK\$7,500,000} \times (1 - \text{Actual NAV} / \text{Guaranteed NAV})$$

The Actual NAV based on the unaudited consolidated balance sheet of the Interforce Group as at the NAV Determination Date was about HK\$8,940,571, which is higher than the Guaranteed NAV. The Vendors were not required to pay the difference between the Actual NAV and the Guaranteed NAV to the Purchaser in accordance with the above formula. Likewise, the Purchaser is not required to reimburse the difference between the Actual NAV and the Guaranteed NAV to the Vendors.

Upon Completion, Interforce will be accounted for as an associate of the Company.

INFORMATION ON THE VENDORS

The Vendors are the 100% beneficial shareholders of Interforce. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ON INTERFORCE

Interforce is a company incorporated in Hong Kong with limited liability which together with its subsidiaries are engaged principally in the design, engineering, marketing and sale of consumer electronic products.

As disclosed in the audited consolidated financial statements of Interforce Group, the total turnover for the year ended 31 December 2005 was about HK\$318,362,297.41. The net profit before taxation and net profit after taxation for the year ended 31 December 2004 were about HK\$2,924,678.71 and HK\$2,341,716.17 respectively. The net profit before taxation and net profit after taxation for the year ended 31 December 2005 were about HK\$3,930,401.48 and HK\$3,006,237.48 respectively. The audited consolidated total assets and net assets of Interforce Group as at 31 December 2005 were about HK\$49,191,642.38 and HK\$14,078,471.68 respectively.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacturing, marketing and distribution of consumer electronic products worldwide. The Group's products are marketed through its own-label and also through OEM channels. The Group's major products include inter alia, DVDs, MP3s, televisions, CD players and other audio visual equipment (including karaoke audio equipment and accessories).

According to the audited consolidated financial statements of the Group for the year ended 31 March 2004 and 31 March 2005, the turnover of the Group was approximately HK\$1,837,045,000 and HK\$1,647,423,000 respectively, the profit before taxation of the Group was approximately HK\$101,603,000 and HK\$56,768,000 respectively and the net profit after taxation of the Group was approximately HK\$100,065,000 and HK\$50,548,000 respectively.

The Purchaser is a wholly owned subsidiary of the Company incorporated in Hong Kong and is principally engaged in the development, manufacturing and sale of consumer electronic products.

The Directors consider that the Acquisition offers the Group a good business opportunity to further broaden its product range whilst at the same time allows the Group to extend its existing distribution network. The addition of the design and engineering expertise of Interforce will have a synergistic effect to the Group's existing business lines.

The Directors also consider that the Acquisition will be mutually beneficial to the business of both the Group and Interforce.

Based on the above reasons, the Directors believe the Acquisition are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATION

The Acquisition constitutes a discloseable transaction on the part of the Company under rule 14.06 of the Listing Rules.

GENERAL

A circular containing, among other matters, further details of the Acquisition will be despatched to the Shareholders within 21 days after the publication of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Actual NAV”	the actual NAV of Interforce Group at NAV Determination Date
“Acquisition”	the acquisition by the Purchaser of the Sale Shares subject to and upon the terms and conditions as set out in the Sale and Purchase Agreement
“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 sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Directors”	directors of the Company
“Guaranteed NAV”	the guaranteed NAV of Interforce Group being not less than HK\$7,500,000 as at NAV Determination Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Interforce”	Interforce Limited, a company incorporated in Hong Kong with limited liability which together with its subsidiaries are engaged principally in design, engineering, marketing and sale of consumer electronic products
“Interforce Group”	Interforce and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAV”	net assets value
“NAV Determination Date”	31 May 2006
“PRC”	the People's Republic of China
“Purchaser”	koncepts International Limited, purchaser to the Sale and Purchase Agreement, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 June 2006 and entered into between the Vendors and the Purchaser for the sale and purchase of the Sale Shares
“Sale Shares”	150,000 existing shares of HK\$1.00 each in the issued share capital of Interforce

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	together Mr. Eric Burq and Mr. Serge Kokkinis, vendors to the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

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

Hong Kong, 27 June 2006

** for identification purpose only*

As at the date of this announcement, Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy are the executive Directors and Mr. Hon Sheung Tin, Peter is the non-executive Director and Mr. Ho Hau Chong, Norman, Mr. Chan Chak Chung and Mr. Chuck Winston Calptor are the independent non-executive Directors.

“Please also refer to the published version of this announcement in The Standard.”