

STARLITE

STARLIGHT INTERNATIONAL HOLDINGS LIMITED

升岡國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 485)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of the Company dated 10 April 2007 in respect of, among other things, the Complaint and Lawsuit.

The Board is pleased to announce that to resolve all pending legal disputes between Toshiba and the Group, SVL has, on 1 August 2007, entered into a DVD Patent License Agreement with Toshiba, which is authorized to enter into license agreements for Toshiba patents as well as the patents of other members of 6C DVD Patent Licensing Group.

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Pursuant to the DVD Patent License Agreement, SVL and its Designated Affiliates are granted a license to make, have made, use, import, offer for sale, sell, and otherwise dispose of certain DVD products, which are otherwise covered by the patents of the 6C DVD Patent Licensing Group. Under the terms of the DVD Patent License Agreement, all disputes between the parties are resolved pertaining not only to future DVD related production but also for any claims related to past sales.

The Directors consider that the terms of the DVD Patent License Agreement are fair and reasonable and in the interests of the Shareholders as a whole and were derived at after arm's length negotiation.

The DVD Patent License Agreement was entered into in normal and ordinary course of business of the Group.

* *For identification purpose only*

By entering into the DVD Patent License Agreement and upon fulfillment of its terms, all claims in relation to the Complaint and the Lawsuit will be resolved and settled.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Starlight International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Complaint”	the formal complaint made by Toshiba and Toshiba America Consumer Products, L.L.C. with the United States International Trade Commission against the Company on 6 April 2007 in respect of, among other things, the alleged infringement of DVD patents of Toshiba Group by the Company
“Designated Affiliates”	collectively Star Fair Electronics Company Limited, Starlight Electronics Company Limited, Starlight Marketing (HK) Ltd., Starlight Marketing Development Limited, Starlight Marketing Limited, and Starlite Consumer Electronics (USA) Inc.
“Director(s)”	the director(s) of the Company
“DVD Patent License Agreement”	the DVD patent license agreement dated 1 August 2007 and entered into between Toshiba, under authorization of the members of the DVD Patent Licensing Group, as licensor and SVL as licensee as amended by a side letter entered into between the same parties on the same date
“6C DVD Patent Licensing Group”	collectively includes Hitachi, Ltd., Matsushita Electric Industrial Co., Ltd., Mitsubishi Electric Corporation, Samsung Electronics Co., Ltd., SANYO Electric Co., Ltd., Sharp Corporation, Toshiba Corporation, Victor Company of Japan, Ltd., Warner Bros. Home Entertainment Inc.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Lawsuit”	the filing of lawsuit in the United States District Court for the Northern District of California on 6 April 2007, by Toshiba Corporation in respect of, among other things, the alleged infringement of DVD patents of Toshiba Group by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SVL”	Starlight Video Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Toshiba”	Toshiba Corporation, a Japanese corporation and a licensor in the DVD Patent License Agreement
“Toshiba Group”	Toshiba and its subsidiaries

By Order of the Board
Lau Sak Hong, Philip
Chairman

Hong Kong, 1 August 2007

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony, Mr. Lau Sak Yuk, Andy and a non-executive director, namely Mr. Hon Sheung Tin, Peter and three independent non-executive directors namely, Mr. Ho Hau Chong, Norman, Mr. Chan Chak Chung and Mr. Winston Calptor Chuck.