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S T A R L I T E
HOLDINGS LIMITED

星光集團有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

STOCK CODE 股份代號：403

DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY

THE ACQUISITION

The Board announces that on 1 April 2021 (after trading hours of the Stock Exchange), the Purchaser, a wholly and beneficially owned subsidiary of the Company, and the Vendor, an independent third party, entered into the Provisional Agreement pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the entire issued share capital of and all shareholder loans owed to the Vendor by the Target Company, whose assets solely comprise of the Property, for the Consideration of HK\$15,700,000. Completion is expected to take place on or before 31 May 2021.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement thereunder.

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THE PROVISIONAL AGREEMENT

A summary of the terms of the Provisional Agreement is set out below:

Date: 1 April 2021

Parties: (1) The Purchaser

(2) The Vendor

Property to be acquired

Pursuant to the terms of the Provisional Agreement, the Vendor shall sell and the Purchaser shall acquire the entire issued share capital of and all shareholder loans owed to the Vendor by the Target Company, whose assets solely comprise of the Property.

The Property is a residential unit situated at Flat E, 37/F, Block 1A, The Arch, 1 Austin Road West, Kowloon, Hong Kong. The total saleable area of the Property is approximately 400 square feet.

Consideration

The Consideration is HK\$15,700,000, which shall be paid in cash by the Purchaser in the following manner:

- (a) the initial deposit of HK\$785,000, representing 5% of the Consideration, was paid upon signing of the Provisional Agreement;
- (b) the further deposit of HK\$785,000, representing 5% of the Consideration, shall be payable on or before 16 April 2021; and
- (c) the balance of the Consideration of HK\$14,130,000, representing 90% of the Consideration, shall be payable on the Completion Date, which is expected to be on or before 31 May 2021.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to the prevailing market value of comparable properties in nearby locations. The payment of the Consideration will be financed by a combination of (i) internal resources of the Group, and (ii) banking financing.

Formal Agreement

Pursuant to the Provisional Agreement, the Purchaser and the Vendor shall enter into the Formal Agreement for the Acquisition on or before 16 April 2021. In the event the Purchaser and the Vendor fail to agree on the terms of the Formal Agreement, the Provisional Agreement shall remain valid and in full force and effect.

Conditions to Completion

Completion shall be subject to and conditional upon:

- (a) the Purchaser having completed its due diligence investigation on the Target Company and is satisfied with the results;
- (b) the Vendor having procured the Target Company to give and prove good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the laws of Hong Kong); and
- (c) all representations, undertakings and warranties given by the Vendor remaining true, accurate, complete and not misleading in all respects up to Completion.

If such conditions are not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under the Provisional Agreement and all amounts of the deposits paid shall be returned to the Purchaser.

Completion

Completion is expected to take place on or before 31 May 2021.

REASONS FOR AND THE BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition is a good medium to long-term investment for the Company given the current state of the property market in Hong Kong. The Property is part of the West Kowloon Union Square commercial and residential real estate area, one of the prime residential areas in Hong Kong. In view of the current market value of the Property in comparison with the prevailing market value of other residential properties of similar nature in the nearby area, as well as the current property market conditions and its outlook in the near future and the persisting market demand for residential properties in Hong Kong, the Directors consider this is a good opportunity to acquire the Property which is located at one of the prime residential areas of Hong Kong and are optimistic that there will be good potential for capital appreciation in the medium to long-run. As such, the Directors believe that the Acquisition will be a good investment opportunity that will offer a reasonably attractive rate of return for the Company.

Further, in light of the commercial viability and potential investment return of the Property, the Directors consider that the Acquisition is a reasonable and effective utilization of the capital of the Company, which will enable the Company to enhance the Company's capital gain, asset base and overall financial position. The Directors have assessed the capital requirement for its daily operations and other expenditures, and are of the view that the Acquisition will not adversely affect the operation or working capital needs of the Group in any material respect.

In view of the above, the Directors, consider that the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PURCHASER AND THE COMPANY

The Purchaser is a company incorporated in Hong Kong with limited liability and is a wholly and beneficially owned subsidiary of the Company. It is principally engaged in the business of investment holding.

The Company is an investment holding company incorporated in Bermuda with limited liability. Its subsidiaries are principally engaged in the printing and manufacturing of packaging materials, labels and paper products, including environmental friendly paper products.

INFORMATION ON THE TARGET COMPANY AND THE VENDOR

The Vendor is Mr. Kwok Wai Kin, who is the ultimate beneficial owner of the Target Company and the Property. To the best of the knowledge of the Directors, the Vendor is the owner and director of a textile and fabric manufacturing company in Hong Kong; and the Target Company is a special purpose vehicle whose assets solely comprise of the Property.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement thereunder.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition by the Purchaser from the Vendor of the entire issued share capital of and all shareholder loans owed to the Vendor by Target Company
“Board”	the board of Directors
“Company”	Starlite Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 403)
“Completion Date”	the date on which completion of the Acquisition takes place and which is expected to be on or before 31 May 2021 or any other date agreed by the Purchaser and the Vendor
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration in the amount of HK\$15,700,000 to be paid by the Purchaser to the Vendor in respect of the Acquisition
“Directors”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor in respect of the Acquisition on or before 16 April 2021
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the residential property situated at Flat E, 37/F, Block 1A, The Arch, 1 Austin Road West, Kowloon, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 1 April 2021 entered into between the Purchaser and the Vendor in respect of the Acquisition

“Purchaser”	Starlite Cultural Communications Limited, a company incorporated in Hong Kong with limited liability and is a wholly and beneficially owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Legend Power International Limited, a company incorporated in Hong Kong with limited liability, whose assets solely comprise of the Property and which is wholly-owned by the Vendor
“Vendor”	Mr. Kwok Wai Kin
“%”	per cent

On behalf of the Board
Starlite Holdings Limited
Lam Kwong Yu
Chairman

Hong Kong, 1 April 2021

As at the date of this announcement, the Executive Directors of the Company are Mr. Lam Kwong Yu, Mr. Tin Shing and Mr. Poon Kwok Ching, the Non-Executive Directors is Ms. Yeung Chui, and the Independent Non-Executive Directors are Mr. Chan Yue Kwong, Michael, Mr. Kwok Lam-Kwong, Larry, SBS, JP and Mr. Tam King Ching, Kenny.

* *For identification purpose only*