

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 announcement.



STARLITE
HOLDINGS LIMITED

星光集團有限公司*

A Member of the Starlite Group
(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

TERMINATION OF DISCLOSEABLE TRANSACTION

On 20th April, 2007, the Board announced that the Purchaser, a wholly-owned subsidiary of the Company, has entered into the Sale and Purchase Agreement whereby it has agreed to purchase from the Vendors the Shares, representing 75% of the issued share capital of Taspac.

As disclosed in the Company's announcement dated 20th April, 2007 (the "**April Announcement**") and circular dated 10th May, 2007 (the "**Circular**"), completion of the sale and purchase of the Shares under the Sale and Purchase Agreement would be subject to and conditional upon the fulfillment of the Conditions Precedent. It is a term of the Sale and Purchase Agreement that if the Conditions Precedent are not fulfilled by 30th September 2007, either of the Purchaser or the Vendors may, at its own election, by written notice to the other party withdraw from the Sale and Purchase Agreement. The Purchaser and the Vendors expect that not all of the Conditions Precedent will be satisfied by 30th September, 2007. Accordingly, on 11th September, 2007, the Purchaser and the Vendors entered into a written agreement for the termination of the Sale and Purchase Agreement.

Unless otherwise defined herein, capitalised terms shall have the same meaning as defined in the April Announcement.

This Announcement is made pursuant to Rule 14.36 of the Listing Rules.

INTRODUCTION

On 20th April, 2007, the Board announced that the Purchaser, a wholly-owned subsidiary of the Company, has entered into the Sale and Purchase Agreement whereby it has agreed to purchase from the Vendors the Shares, representing 75% of the issued share capital of Taspack.

- (i) As more particularly described in the April Announcement and the Circular, it is a term of the Sale and Purchase Agreement that completion of the sale and purchase of the Shares is subject to and conditional upon the fulfillment of a number of Conditions Precedent, including the ascertaining of the Agreed Value within three weeks from the completion of the due diligence exercise. The Agreed Value being as 75% of the simple average of the following two values:
 - (a) the audited consolidated net tangible assets of Taspack as at 30th June 2006 after deducting the value of the Properties and after adjusting for the current market valuation of the property, plant and equipment of Taspack; and
 - (b) a multiple of six of the audited consolidated net profit after tax of Taspack for the financial year ended 30th June 2006 after excluding any abnormal, extraordinary or non-recurring income and expenses.

If the Conditions Precedent are not fulfilled by 30th September 2007 either of the Purchaser or the Vendors may, at its own election, by written notice to the other party withdraw from the Sale and Purchase Agreement. As the date hereof, the Purchaser has completed the financial and legal due diligence contemplated by the Conditions Precedent. However, upon completion of such due diligence, the results of the financial due diligence conducted by an international firm of accountants on Taspack failed to meet the requirements of the Purchaser. Following the issue of the final due diligence report by the firm of accountants, the Purchaser and Vendors sought to re-negotiate, but failed to agree on, the Agreed Value. Accordingly, on 11th September, 2007, the Purchaser and the Vendors entered into a written agreement for the termination of the Sale and Purchase Agreement.

The Directors consider that in view of the results of the financial due diligence and the inability of the parties to agree on the Agreed Value, the termination of the Sale and Purchase Agreement is in the interest of the Company and is fair and reasonable. The Directors does not consider the termination of the Sale and Purchase Agreement will have any material effect, negative or otherwise, on the financial position of the Company.

This Announcement is made pursuant to Rule 14.36 of the Listing Rules.

By Order of the Board
Starlite Holdings Limited
Lam Kwong Yu
Chairman

11th September 2007, Hong Kong

As at the date of this announcement, the Board composition of the Company is as follows:-

Executive Directors:

Mr. Lam Kwong Yu

Ms. Yeung Chui

Mr. Tai Tzu Shi, Angus

Mr. Cheung Chi Shing, Charles

Independent Non-executive Directors:

Mr. Chan Yue Kwong, Michael

Mr. Kwok Lam-Kwong, Larry, JP

Mr. Tam King Ching, Kenny

* *For identification purpose only*