

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.



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 TRANSACTIONS PURCHASES OF MACHINERY

THE PURCHASES OF MACHINERY

Reference is made to the circular of the Company dated 13 March 2020 in respect of the disposal of Starlite Printers (Shenzhen) Co., Ltd.

As disclosed in the Circular, the Group intends to consolidate and streamline its business and resources by centralising its machinery and resources in order to enhance the efficiency of its manufacturing lines. The Board is pleased to announce that the transfer of the existing business operations of Starlite Printers (Shenzhen) Co., Ltd and the relocation of certain machinery to the Group's other manufacturing plants and factories are progressing and as part of the Group's plans to enhance the efficiency of its manufacturing lines, as at the date of this announcement, the Purchasers, each an indirect wholly-owned subsidiary of the Company, have respectively entered into the Purchase Contracts with the respective Vendors pursuant to which the Purchasers have agreed to purchase and the Vendors have agreed to sell the Machines.

LISTING RULES IMPLICATIONS

As (1) each Purchase Contract was separately negotiated on an arm's length basis and entered into with each Vendor, each of whom are independent third parties not connected or otherwise associated with each other; (2) each Machine is functional on its own and does not form part of any assembled machine acquired by the Purchasers; and (3) the Acquisitions are in line with the existing principal business of the Group, the Acquisitions are not required to be aggregated with each other under Rule 14.22 of the Listing Rules.

As one of the applicable percentage ratios in respect of each Acquisition under each Purchase Contract is more than 5% but all are less than 25%, each 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.

THE PURCHASES OF MACHINERY

Reference is made to the Circular.

As disclosed in the Circular, the Group intends to consolidate and streamline its business and resources by centralising its machinery and resources in order to enhance the efficiency of its manufacturing lines. The Board is pleased to announce that the transfer of the existing business operations of Starlite Printers (Shenzhen) Co., Ltd and the relocation of certain machinery to the Group's other manufacturing plants and factories are progressing and as part of the Group's plans to enhance the efficiency of its manufacturing lines, as at the date of this announcement, the Purchasers, each an indirect wholly-owned subsidiary of the Company, have respectively entered into the Purchase Contracts with the respective Vendors pursuant to which the Purchasers have agreed to purchase and the Vendors have agreed to sell the Machines.

THE PURCHASE CONTRACTS

A summary of the terms of the Purchase Contracts are set out below:

Purchase Contract A

Parties:	(1) Starlite Suzhou (2) Vendor A
Asset to be acquired	One (1) KBA 105PRO-9+LTT+1 FAPC ALV2 printer.
Consideration	EUR3,213,000 (equivalent to approximately HK\$30,041,550), payable as follows: (a) 20% of the consideration in cash as the deposit within 5 days of the date of Purchase Contract A; (b) the balance of 80% of the consideration by way of an irrevocable letter of credit (valid for 6 months) at least 45 days before the date of shipment of Machine A of which 75% of the consideration shall be payable within 30 days after the date of the relevant bill of lading in respect of Machine A and the remaining 5% of the consideration shall be payable upon Starlite Suzhou signing the acceptance certificate in respect of Machine A.

The consideration for Machine A was determined after arm's length negotiations between Starlite Suzhou and Vendor A and on normal commercial terms taking into account the prevailing market price for machines similar to Machine A. The consideration for Machine A shall be satisfied by the internal resources of the Group and bank financing.

Purchase Contract B

- Parties:** (1) Shaoguan Fortune
(2) Vendor B
- Asset to be acquired** One (1) Heidelberg CX 102-6+L printer.
- Consideration** EUR1,710,000 (equivalent to approximately HK\$15,988,500), payable as follows:
- (a) 20% of the consideration in cash as a non-refundable deposit upon the signing of Purchase Contract B;
 - (b) 75% of the consideration by way of an irrevocable letter of credit payable within 60 days after the date of the relevant bill of lading in respect of Machine B;
 - (c) the balance of 5% of the consideration upon the installation of Machine B.

The consideration for Machine B was determined after arm's length negotiations between Shaoguan Fortune and Vendor B and on normal commercial terms taking into account the prevailing market price for machines similar to Machine B. The consideration for Machine B shall be satisfied by the internal resources of the Group and bank financing.

Purchase Contract C

- Parties:** (1) Shaoguan Fortune
(2) Vendor C
- Asset to be acquired** One (1) Manroland R906LV printer.
- Consideration** EUR2,728,000 (equivalent to approximately HK\$25,506,800), payable as follows:
- (a) 20% of the consideration in cash;
 - (b) the balance of 80% of the consideration by way of an irrevocable letter of credit (valid for 45 days) after the shipment of Machine C;

The consideration for Machine C was determined after arm's length negotiations between Shaoguan Fortune and Vendor C and on normal commercial terms taking into account the prevailing market price for machines similar to Machine C. The consideration for Machine C shall be satisfied by the internal resources of the Group and bank financing.

Purchase Contract D

Parties:	(1) Shaoguan Fortune (2) Vendor D
Assets to be acquired	One (1) integrated intelligent warehouse logistics system developed by Vendor D
Consideration	RMB17,500,000 (equivalent to approximately HK\$21,000,000), payable as follows: (a) 30% of the consideration in cash within 10 business days of the date of Purchase Contract D; (b) 20% of the consideration in cash within 10 business days of delivery of Machine D to the Shaoguan factory; (c) 35% of the consideration in cash within 10 business days of the installation of Machine D; (d) 10% of the consideration in cash within 3 months after the normal operation of Machine D; (e) the balance of 5% of the consideration in cash in instalments of (i) 1.5% after the expiry of the first year of warranty for Machine D, (ii) 1.5% after the expiry of the second year of warranty for Machine D, and (iii) 2% after the expiry of the third year of warranty for Machine D

The consideration for Machine D was determined after arm's length negotiations between Shaoguan Fortune and Vendor D and on normal commercial terms taking into account the prevailing market price for machines similar to Machine D. The consideration for Machine D shall be satisfied by the internal resources of the Group and bank financing.

REASONS FOR AND THE BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in the business of printing and packaging materials. As disclosed in the Circular, the Group intends to consolidate and streamline its business and resources by centralising its machinery and resources in order to enhance the efficiency of its manufacturing lines.

The Machines are some of the latest models and are high-tech, modern and efficient. They will be used for printing and packaging materials and will be utilised by the Group for its ordinary business operations in Suzhou and Shaoguan, in line with its intention of centralising its machinery and enhancing the efficiency of its manufacturing lines.

The Purchase Contracts were entered into after arm's length negotiations with the Vendors and the Group had considered similar machines in the market as well as the prevailing market value of similar machines.

In view of the above, the Directors consider that the terms of the Purchase Contracts and the Acquisitions are fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PURCHASERS AND THE COMPANY

Starlite Suzhou is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of production of packaging and printing products.

Shaoguan Fortune is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of production of packaging and printing products.

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 VENDORS

Vendor A is a company incorporated in Germany whose shares are listed on the Frankfurt Stock Exchange. Vendor A is principally engaged in design, manufacture, installation and distribution of customer-specific solutions in the field of printing production and finishing.

Vendor B is a company incorporated in Hong Kong with limited liability and is wholly-owned by Heidelberger Druckmaschinen AG, a company listed on the Frankfurt Stock Exchange. Vendor B is principally engaged in the trading of printing equipment and spare parts.

Vendor C is a company incorporated in Hong Kong with limited liability and is wholly-owned by Manroland Sheetfed GmbH, which in turn is wholly-owned by Langley Holdings plc, a public limited company incorporated in the United Kingdom. Vendor C is principally engaged in printing machinery, parts, and consumable trading.

Vendor D is a company incorporated in the PRC with limited liability and is wholly-owned by Kunshan Huaheng Welding Company Limited, whose shares are quoted on the National Equities Exchange and Quotations in the PRC. Vendor D is principally engaged in the development, design, manufacturing and service of intelligent warehouse and logistics, intelligent manufacturing, and flexible automatic production lines.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As (1) each Purchase Contract was separately negotiated on an arm's length basis and entered into with each Vendor, each of whom are independent third parties not connected or otherwise associated with each other; (2) each Machine is functional on its own and does not form part of any assembled machine acquired by the Purchasers; and (3) the Acquisitions are in line with the existing principal business of the Group, the Acquisitions are not required to be aggregated with each other under Rule 14.22 of the Listing Rules.

As one of the applicable percentage ratios in respect of each Acquisition under each Purchase Contract is more than 5% but all are less than 25%, each 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(s)”	the acquisition of the Machines pursuant to the Purchase Contracts
“Board”	the board of Directors of the Company
“Circular”	the circular of the Company dated 13 March 2020 in respect of the disposal of Starlite Printers (Shenzhen) Co., Ltd
“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)
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“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
“Machines”	collectively Machine A, Machine B, Machine C and Machine D and each a “Machine”
“Machine A”	a KBA 105PRO-9+LTT+1 FAPC ALV2 printer
“Machine B”	a Heidelberg CX 102-6+L printer
“Machine C”	a Manroland R906LV printer
“Machine D”	an integrated intelligent warehouse logistics system developed by Vendor D
“PRC”	the People’s Republic of China
“Purchasers”	collectively Starlite Suzhou and Shaoguan Fortune
“Purchase Contracts”	collectively Purchase Contract A, Purchase Contract B, Purchase Contract C and Purchase Contract D
“Purchase Contract A”	the purchase contract entered into between Starlite Suzhou and Vendor A in respect of the sale and purchase of Machine A
“Purchase Contract B”	the purchase contract entered into between Shaoguan Fortune and Vendor B in respect of the sale and purchase of Machine B
“Purchase Contract C”	the purchase contract entered into between Shaoguan Fortune and Vendor C in respect of the sale and purchase of Machine C
“Purchase Contract D”	the purchase contract entered into between Shaoguan Fortune and Vendor D in respect of the sale and purchase of Machine D
“Shaoguan Fortune”	Shaoguan Fortune Creative Industries Co., Ltd, a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Starlite Suzhou”	Starlite Printers (Suzhou) Co. Ltd., a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendors”	collectively, Vendor A, Vendor B, Vendor C and Vendor D
“Vendor A”	Koenig & Bauer Sheetfed AG & Co. KG, a company incorporated in Germany whose shares are listed on the Frankfurt Stock Exchange
“Vendor B”	Heidelberg China Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Heidelberger Druckmaschinen AG, a company listed on the on the Frankfurt Stock Exchange
“Vendor C”	Manroland (China) Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Manroland Sheetfed GmbH, which in turn is wholly-owned by Langley Holdings plc, a public limited company incorporated in the United Kingdom
“Vendor D”	Changsha Huaheng Robot System Company Limited (長沙華恆機器人系統有限公司), a company incorporated in PRC with limited liability and is wholly-owned by Kunshan Huaheng Welding Company Limited (崑山華恆焊接股份有限公司)
“EUR”	Euro, the lawful currency of the member states of the European Union that adopted the single currency in accordance with the Treaty on the Functioning of the European Union
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 30 April 2021

For the purpose of illustration only and unless otherwise stated, conversion of EUR into HK\$ in this announcement is based on the exchange rate of EUR1 to HK\$9.35 and conversion of RMB to HK\$ in this announcement is based on the exchange rate of RMB1 to HK\$1.20. Such conversions should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this rate or any other rate.

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*