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STARLITE
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 ACQUISITIONS OF MACHINERY

THE ACQUISITION

The Board announces that on 28 June 2021, Starlite Suzhou, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Contract with the Vendor, in relation to the acquisition of the Machine for a consideration of RMB4,600,000 (equivalent to approximately HK\$5,510,368). The Consideration was determined after arm's length negotiation between the parties and on normal commercial terms taking into account the prevailing market price for machines similar to the Machine.

THE PREVIOUS ACQUISITION

On 17 June 2021, Shaoguan Fortune, an indirect wholly-owned subsidiary of the Company, entered into the Previous Purchase Contract with the Vendor, in relation to the acquisition of the Machine for a consideration of RMB4,600,000 (equivalent to approximately HK\$5,510,368).

LISTING RULES IMPLICATIONS

Each of the Acquisition and Previous Acquisition, on a standalone basis, does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

As the Previous Acquisition and the Acquisition are entered into between the Group and the Vendor, and shall complete within 12 months period, the Acquisition is required to aggregate with the Previous Acquisition in accordance with Rule 14.22 of the Listing Rules.

One or more of the applicable percentage ratios calculated based on the size tests under Rule 14.07 of the Listing Rules in relation to the Previous Acquisition and the Acquisition, on aggregate basis, is more than 5% but all are less than 25%. As such, the Acquisition, as aggregated with the Previous Acquisition, constitutes a discloseable transaction for the Company and is subject to the announcement and notification requirements under Chapter 14 of the Listing Rules.

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The Board announces that on 28 June 2021, Starlite Suzhou, an indirect wholly-owned subsidiary of the Company, entered into the Purchase Contract with the Vendor, in relation to the acquisition of the Machine for a consideration of RMB4,600,000 (equivalent to approximately HK\$5,510,368).

THE PURCHASE CONTRACT

A summary of the terms of the Purchase Contract is set out below:

Date: 28 June 2021

Parties: (1) The Vendor as vendor; and
(2) Starlite Suzhou as purchaser.

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

Subject matter: The Vendor shall sell and Starlite Suzhou shall acquire the Machine.

Asset to be acquired: The Machine, being a KAMA ProFoil 76 hot foil stamping machine with embossing and die cutting process

Consideration: RMB4,600,000 (equivalent to approximately HK\$5,510,368), which is payable as follows:

(a) RMB230,000 shall be paid by Starlite Suzhou upon receipt of the sample proof from the manufacturer of the Machine and passing of its assessment before 30 June 2021 as initial deposit;

(b) RMB1,150,000 shall be paid by Starlite Suzhou within four months before shipment of the Machine as further deposit;

- (c) RMB2,990,000 shall be paid by Starlite Suzhou upon dispatch of the Machine and receipt of the seaway bill by Starlite Suzhou as the second batch payment;
- (d) RMB230,000 shall be paid by Starlite Suzhou within three business days after installation of the Machine and training as balance of payment.

If Starlite Suzhou shall purchase the Machine by way of finance lease, the payment terms of the second batch payment and the balance of payment shall be determined by the finance lease agreement to be entered into between the Vendor, Starlite Suzhou and the finance company.

If Starlite Suzhou fails to pay any payment under the Purchase Contract, Starlite Suzhou shall be liable to the Vendor a weekly damages of 0.5% of the amount payable under the Purchase Contract.

Date of delivery and penalty:

Subject to the payment of Consideration in accordance with the Purchase Contract, the Vendor shall deliver the Machine to Starlite Suzhou before 30 June 2022.

If there is delay in delivery, other than force majeure, the Vendor shall be liable to Starlite Suzhou a weekly damages of 0.5% of the Consideration but in any event such damages shall not exceed 5% of the Consideration.

If there is a delay of more than 10 weeks from the delivery date, Starlite Suzhou is entitled to terminate the Purchase Contract and the Vendor shall still be liable of the weekly damages as set out above.

BASIS OF CONSIDERATION

The Consideration was determined after arm's length negotiation between the parties and on normal commercial terms taking into account the prevailing market price for machines similar to the Machine. The Consideration shall be satisfied by the internal resources of the Group or bank financing.

THE PREVIOUS ACQUISITION

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REASONS FOR AND THE BENEFITS OF THE ACQUISITIONS

As set out in the interim report of the Company for the six months ended 30 September 2020, the plants of the Group endeavoured to adopt measures to enhance its operation efficiency, including promotion of innovative workflow designs, multidimensional and automatic development and promotion, applications of new services, new materials and new process as well as upgrade of enterprise resources planning system.

Given that the Machine is of the latest model and high-tech, modern and efficient, and having multiple applications such as cold embossing, hot foil stamping, cutting and perforating, it 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 Contract was entered into after arm's length negotiations with the Vendor 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 Contract and the Acquisition is fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

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

Shaoguan Fortune

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.

Starlite Suzhou

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.

The Vendor

The Vendor is a company incorporated in the PRC with limited liability. It is principally engaged in distribution of printing technology products in the PRC. As at the date of this announcement, the Vendor is owned as to 60% and 40% by Syntax Technology Co., Ltd. and Mr. Zhang Shuxin. Syntax Technology Co., Ltd is in turn owned as to 97.9% by Mr. Liu Tao.

LISTING RULES IMPLICATIONS

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One or more of the applicable percentage ratios calculated based on the size tests under Rule 14.07 of the Listing Rules in relation to the Previous Acquisition and the Acquisition, on aggregate basis, is more than 5% but all are less than 25%. As such, the Acquisition, as aggregated with the Previous Acquisition, constitutes a discloseable transaction for the Company and is subject to the announcement and notification requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Machine by Starlite Suzhou pursuant to the Purchase Contract
“Acquisitions”	the Acquisition and the Previous Acquisition collectively
“Board”	the board of Directors of the Company
“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)
“Consideration”	the consideration in the amount of RMB4,600,000 to be paid by Starlite Suzhou to the Vendor in respect of the Acquisition
“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 PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Machine”	a KAMA ProFoil 76 hot foil stamping machine with embossing and die cutting process
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Acquisition”	the acquisition of the Machine by Shaoguan Fortune pursuant to the Previous Purchase Contract
“Previous Purchase Contract”	the purchase contract dated 17 June 2021 entered into between the Vendor and Shaoguan Fortune in relation to the acquisition of the Machine
“Purchase Contract”	the purchase contract dated 28 June 2021 entered into between the Vendor and Starlite Suzhou in relation to the acquisition of the Machine
“RMB”	Renminbi, the lawful currency of PRC
“Shaoguan Fortune”	Shaoguan Fortune Creative Industries Company Limited, 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
“Vendor”	Shanghai You-Print Digital Technology Co., Ltd. * (上海悠印數碼科技有限公司), a company incorporated in the PRC
“%”	per cent

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

Hong Kong, 28 June 2021

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of HK\$1 to RMB0.83479. 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 director 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*