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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Starlite Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



S T A R L I T E
HOLDINGS LIMITED

星光集團有限公司*
A Member of the Starlite Group

(Incorporated in Bermuda with limited liability)

(Stock Code: 403)

**TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

The notice convening a Special General Meeting of Starlite Holdings Limited (“Company”) to be held at Regal Oriental Hotel, 1st Floor, Conference Room II, 30–38 Sa Po Road, Kowloon City, Hong Kong on Wednesday, 15th August, 2012 at 4:30 p.m. (or so soon thereafter as the 2012 Annual General Meeting of the members of the Company convened at 4:00 p.m. on the same date shall have been concluded) is set out on pages 16 to 17 of this circular.

Whether or not you intend to attend and vote at the Special General Meeting of the Company, you are requested to complete the proxy form (enclosed with the SGM notice) in accordance with the instructions printed thereon and return it to the head office and principal place of business in Hong Kong of Starlite Holdings Limited at 3rd Floor, Perfect Industrial Building, 31 Tai Yau Street, Sanpokong, Kowloon, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the Special General Meeting of the Company. Completion and return of the form or proxy will not preclude shareholders of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.

* For identification purpose only

27th July, 2012

CONTENTS

	<i>Page</i>
RESPONSIBILITY STATEMENT	ii
DEFINITIONS	1
LETTER FROM THE BOARD	3
Introduction	3
Details of the New Scheme	4
Actions to be taken	6
Special General Meeting	6
Recommendation	7
Documents available for inspection	7
APPENDIX — SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME	8
NOTICE OF SPECIAL GENERAL MEETING	16

RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the Annual General Meeting of the Company to be held on 15th August, 2012 at 4:00 p.m. or any adjournment thereof (“AGM”)
“Board”	the board of directors of the Company
“business day”	a day, other than a Saturday or Sunday, on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for the business of dealing in securities
“Bye-Laws”	the bye-laws of the Company
“Company”	Starlite Holdings Limited, an exempted company incorporated in Bermuda, the securities of which are listed on the Stock Exchange
“Date of Grant”	in respect of an Option, the business day on which the Board resolves to make an offer of grant of that Option to a Participant
“Directors”	the directors of the Company
“Existing Scheme”	the existing share option scheme of the Company adopted by resolution of the Company in general meeting on 6th September, 2002
“Grantee”	any Participant(s) who accept(s) an offer of grant of an Option in accordance with the terms of the New Scheme or, where the context so permits, any person(s) who is/are entitled to any such Option in consequence of the death of the original Grantee(s)
“Group”	the Company and its subsidiaries at the relevant time and a “member of the Group” means any of the foregoing
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	25th July, 2012, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Scheme”	the new share option scheme which is proposed to be adopted by the Company subject to the approval of the Shareholders at the SGM

DEFINITIONS

“Option(s)”	option(s) (if any) granted or to be granted under the Existing Scheme or the New Scheme, as the context require
“Participant(s)”	person(s) eligible to be granted Options under the New Scheme as specified in paragraph 2 of Appendix on page 8 of this circular
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and other share option schemes of the Company as at the date on which the scheme is conditionally adopted by resolution of the Company in general meeting
“SGM Notice”	the notice convening the SGM, which is being sent to the Shareholders together with this circular and which is set out on pages 16 to 17 of this circular
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Special General Meeting” or “SGM”	the Special General Meeting of the Company to be held at Regal Oriental Hotel, 1st Floor, Conference Room II, 30–38 Sa Po Road, Kowloon City, Hong Kong on 15th August, 2012 at 4:30 p.m. (or so soon thereafter as the Annual General Meeting convened at 4:00 p.m. on the same date shall have been concluded)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



S T A R L I T E

HOLDINGS LIMITED

星光集團有限公司*

A Member of the StarLite Group

(Incorporated in Bermuda with limited liability)

(Stock Code: 403)

Directors:

Executive Directors:

Mr. Lam Kwong Yu, *Chairman*

Mr. Tai Tzu Shi, Angus, *Senior Vice President*

Mr. Cheung Chi Shing, Charles, *Senior Vice President*

Non-Executive Director:

Ms. Yeung Chui

Independent Non-Executive Directors:

Mr. Chan Yue Kwong, Michael

Mr. Kwok Lam-Kwong Larry, *BBS, JP*

Mr. Tam King Ching, Kenny

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal
place of business:*

3rd Floor
Perfect Industrial Building
31 Tai Yau Street
Sanpokong
Kowloon
Hong Kong

27th July, 2012

To the Shareholders

Dear Sir or Madam,

**TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The Existing Scheme was adopted by the Company pursuant to the ordinary resolution passed by the Shareholders on 6th September, 2002. As the term of the Existing Scheme will soon expire, the Directors propose that the Company replaces the Existing Scheme by the

* *For identification purposes only*

LETTER FROM THE BOARD

New Scheme. Upon adoption of the New Scheme, the Existing Scheme will terminate and no further options can be granted under the Existing Scheme. Apart from the Existing Scheme, the Company had no other share option scheme as at the Latest Practicable Date.

The purpose of this circular is to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision to consider and, if thought fit, approve (i) the termination of the Existing Scheme; and (ii) the adoption of the New Scheme.

As a result of the completion of an open offer in June 2008, as at 16th June 2008, the number of outstanding share options after completion of the open offer has been adjusted from 6,765,000 to 7,154,847. As at the Latest Practicable Date, 67,997,000 share options were granted under the Existing Scheme, of which 20,151,102 share options were exercised, 29,955,745 share options lapsed and 10,400,000 share options were cancelled. Based on the outstanding options granted under the Existing Scheme, the holders thereof are entitled to subscribe for 7,880,000 Shares. Under the terms of the Existing Scheme, Options granted under the Existing Scheme and which remain unexpired immediately prior to the termination of the Existing Scheme shall continue to be exercisable in accordance with their terms of grant. The Company has no intention to grant any Option under the Existing Scheme during the period from the Latest Practicable Date till the date of the SGM.

A summary of the principal terms of the New Scheme is set out in Appendix to this circular.

DETAILS OF THE NEW SCHEME

It is proposed that the Company will adopt the New Scheme, which will comply in full with the requirements under Chapter 17 of the Listing Rules, to provide the Participants with the opportunity to acquire proprietary interests in the Company, thereby encouraging the Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

The New Scheme does not specify a minimum period for which an Option must be held or a performance target which must be achieved before an Option can be exercised. However, the rules of the New Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an Option. This determination may vary on a case by case basis but no such term(s) shall be imposed the result of which will be to the advantage of the Participants. The basis for determination of the exercise price is also specified precisely in the rules of the New Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interests in the Company.

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of that value have not been determined. Such variables include the exercise price, exercise period, any performance targets set and other relevant variables. The Directors believe that any calculation of the

LETTER FROM THE BOARD

value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

The Company is not required to appoint any trustee for the purpose of administering the New Scheme. The New Scheme will be subject to the administration of the Board. None of the Directors is or will be a trustee of the New Scheme or have a direct or indirect interest in any such trustee.

The adoption of the New Scheme is conditional upon:

- (1) the Shareholders passing an ordinary resolution at the SGM to approve the termination of the Existing Scheme;
- (2) the Shareholders passing an ordinary resolution at the SGM to approve and adopt the New Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Scheme; and
- (3) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares to be issued pursuant to any exercise of the Options and which Shares must not in aggregate exceed 10% of the issued share capital of the Company as at the date on which the scheme is conditionally adopted by resolution of the Company in general meeting (the "Adoption Date") no later than 3 calendar months after the Adoption Date (or such later date as the Board may decide).

If condition (3) above is not satisfied within 3 calendar months after the Adoption Date, the New Scheme shall forthwith determine, any Option granted or agreed to be granted pursuant to the New Scheme and any offer of such a grant shall be of no effect, and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Scheme or any Option and the Existing Scheme shall continue to operate. The Company has convened an SGM on 15th August, 2012 for the purpose of considering, and if thought fit, passing an ordinary resolution to approve and adopt the New Scheme.

Based on 525,135,288 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the SGM, the maximum number of Shares that can be issued upon exercise of options that may be granted under the proposed New Scheme is 52,513,528 Shares.

Scheme Mandate Limit and Scheme Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Scheme and other share option scheme, including the New Scheme to be adopted, must not exceed 30% of the Shares in issue (being the Scheme Limit), as the same may be varied from time to time. The maximum number of Shares which may be issued upon exercise of all Options to be granted

LETTER FROM THE BOARD

under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the Shares in issue on the Adoption Date (being the Scheme Mandate Limit) unless the Company obtains a fresh approval from its Shareholders pursuant to the terms and conditions of the New Scheme. The Shares which may be issued upon exercise of all Options to be granted under the Existing Scheme and other share options scheme, or to be granted including the New Scheme to be adopted, shall not exceed 10% of the Shares in issue on the Adoption Date (being the Scheme Mandate Limit).

As at the Latest Practicable Date, there were options outstanding and yet to be exercised under the Existing Scheme to which holders were entitled to subscribe for 7,880,000 Shares.

Application to the Stock Exchange

An application will be made to the Stock Exchange for approval of the listing of and permission to deal in the Shares, representing a maximum of 10% of the Shares in issue as at the date of the SGM, that may be issued pursuant to the exercise of the Options that may be granted under the New Scheme.

ACTIONS TO BE TAKEN

A form of proxy for use at the SGM is enclosed with this document. Whether or not you intend to attend the meeting, you are requested to complete and return the form of proxy to the head office and principal place of business of the Company in Hong Kong at 3rd Floor, Perfect Industrial Building, 31 Tai Yau Street, Sanpokong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so desire.

SPECIAL GENERAL MEETING

The SGM Notice (together with the proxy form) convening the SGM is being sent to the Shareholders together with this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the SGM must be taken by poll. Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the SGM pursuant to Bye-Law 70 of the Company. To the best knowledge of the Board as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting at the SGM pursuant to the Listing Rules. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The register of members of the Company will be closed from Monday, 13th August, 2012 to Wednesday, 15th August, 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with Company's

LETTER FROM THE BOARD

branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 10th August, 2012.

An announcement will be made by the Company in compliance with the Listing Rules in respect of the outcome of the SGM.

RECOMMENDATION

The Directors are of the opinion that the adoption of the New Scheme is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM.

DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the New Scheme is available for inspection during normal business hours at the head office and principal place of business of the Company from the date of this circular up to and including 15th August, 2012, the date of the SGM.

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

The following is a summary of the proposed terms of the New Scheme together with notes showing the current terms as required by the Listing Rules.

I. SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME

1. The purpose of the New Scheme is to provide the Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.
2. All full-time employees and executive directors and non-executive directors (excluding independent non-executive directors) of the Group, as absolutely determined by the Board as eligible to participate in the New Scheme.
3. The maximum number of Shares which may be issued upon exercise of all outstanding Options which then has been granted and yet to be exercised under the New Scheme or any other share option scheme adopted by the Company must not exceed 30% of the Shares in issue of the Company from time to time. No Option may be granted under the New Scheme or any other share option scheme adopted by the Company if that will result in the 30% limit being exceeded. The number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and other share option schemes of the Company shall not in aggregate exceed 10% of the Shares in issue of the Company as at the Adoption Date. Options which have lapsed in accordance with the terms of the New Scheme will not be counted in calculating the 10% limit. However, the Company may renew this 10% limit with prior Shareholders' approval in general meeting with the issue of an appropriate circular to Shareholders provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. The Company may seek separate Shareholders' approval in general meeting, with the issue of an appropriate circular to Shareholder, for granting options beyond the 10% limit provided the Options in excess of the limit are granted only to Participants specially identified by the Company before such approval is sought.
4. Unless approved by Shareholders in the manner set out below in this Paragraph, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant or Grantee (as the case may be) (including both exercised and outstanding Options) under the New Scheme or any other share option scheme(s) adopted by the Company in any 12-month period must not exceed 1% of the Shares in issue. Any further grant of Options which would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted as aforesaid representing in aggregate over the said 1% limit shall be subject to separate Shareholders' prior approval in general meeting with the relevant Participant or Grantee (as the case may be) and his associates (as such term is defined in the Listing Rules) abstaining from voting. A circular must be

sent to the Shareholders disclosing the identity of such Participant or Grantee (as the case may be) and the number and terms of the Options granted and to be granted.

5. (a) The period within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the relevant Date of Grant (being the business day on which the Board resolves to make an offer of Option to the relevant Grantee).
- (b) In the event a Grantee, if an employee, ceases to be an employee of the Group for any reason other than that on his or her death or the termination of his or her employment on one or more of the grounds specified in sub-paragraph (c) and paragraph 12(f) below, the Grantee may exercise the Option at any time on or before the date of cessation of or such date as may be determined by the Board in accordance with the provisions under the New Scheme up to his or her entitlement at the date of cessation (to the extent not already exercised) which date shall be the last actual working day with the Company or the relevant subsidiary, whether salary is paid in lieu of notice or not (or such date as may be determined by the Board from time to time).
- (c) In the event the Grantee, if an employee, ceases to be an employee of the Group upon the termination on the part of the Company or the relevant subsidiary (not for any grounds specified in paragraph 12(f)) below, the Grantee may exercise the Option (to the extent not exercised) within the period of 6 months following the date of cessation of his or her employment which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not (or such date as may be determined by the Board).
- (d) In the event the Grantee, not being an employee of the Group, ceases to be a director of the Company for any reason other than on his or her death or for any grounds specified in paragraph 12(f) below, the Grantee may exercise the Options up to his or her entitlement within a period of 6 months from the date of cessation, or such longer period as the Board may determine.
- (e) In the event the Grantee dies before exercising the Option in full and none of the events which would be a ground for termination of his or her employment or directorship under paragraph 12(f) below arises, the legal personal representative(s) of the Grantee shall be entitled on presentation of a letter of probate within a period of 12 months from the date of death, or such longer period as the Board may determine, to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent not already exercised).
- (f) In the event the Grantee dies before exercising the Option in full and, if the Grantee is an employee, none of the events for termination of employment under paragraph 12(f) below then exists with respect to such Grantee, the

personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death.

- (g) If a general offer (whether by way of takeover offer, share repurchase offer or otherwise in like manner other than by way of scheme of arrangement contemplated in paragraph 5(h) below) is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option either to its full extent or to the extent notified by the Company at any time within such period as shall be notified by the Company.
 - (h) If a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company.
 - (i) In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee (or his or her legal representatives) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.
 - (j) Upon the occurrence of any of the events referred to in paragraphs 5(g), (h) and (i) above, the Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice, the balance of the Option shall lapse.
6. Each grant of Options to any Director, chief executive or substantial Shareholder of the Company, or any of their respective associates (as such term is defined in the Listing Rules) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive

director who is a Grantee of the Option in question). Where any grant of Options to a substantial Shareholder or an independent non-executive director of the Company, or any of their respective associates (as such term is defined in the Listing Rules), would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at date of each grant, in excess of HK\$5 million (or such other amount as may from time to time be specified by the Stock Exchange),

such further grant of Options shall be subject to prior approval by the Shareholders with the issue of an appropriate circular to Shareholders. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

7. Unless otherwise determined by the Board at its sole discretion, the New Scheme does not require a minimum period for which an Option must be held nor a performance target which must be reached before an Option can be exercised. In the event that the Board resolves to impose such term(s) on the grant of an Option which decision may vary on a case by case basis, such terms should be stated in the letter containing the offer to the relevant Participant and no such term(s) shall be imposed the result of which will be to the advantage of the Participants.
8. The amount payable on acceptance of an Option is HK\$10 and an offer shall remain open for acceptance by the Participant for a period of 28 days from the date on which the letter containing the offer is delivered to that Participant.
9. The exercise price for the Shares the subject of an Option shall be no less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant. The exercise price will be established by the Board at the time the Option is offered to the relevant Participant.
10. The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and Bye-Laws and Bermuda laws in force at the relevant time and will rank *pari passu* with the fully

paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company. Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation) of the Company, in respect of the Shares to be issued upon the exercise of the Option.

11. The New Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date of the New Scheme by resolution of the Shareholders.
12. An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:
 - (a) the expiry date of the Option, being the date of the expiry of the Option as may be determined by the Board, which shall not be more than ten years after the commencement date of such Option (in respect of any particular Option duly accepted in accordance with the terms of the Scheme, the Date of Grant of that particular Option);
 - (b) the expiry of the period for exercising the Option as referred to in paragraphs 5(a), (b), (c), (d), (e), (f), (g) or (h) above;
 - (c) subject to the scheme of arrangement referred to in paragraph 5(h) above becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 5(g) above;
 - (d) subject to paragraph 5(h) above, the date of commencement of the winding up of the Company;
 - (e) the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any other person, over or in relation to any Option in breach of the New Scheme;
 - (f) the date on which the Grantee ceases to be a Participant by reason of the termination of his or her employment or directorship on the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other grounds on which the Company or the relevant subsidiary would be entitled to terminate his or her employment or directorship at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary. A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 12(f) shall be conclusive; and

- (g) unless the Board otherwise determines, the date the Grantee ceases to be a Participant for any other reason.
13. In the event of any capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares, reduction of the share capital of the Company whilst any Option remains exercisable, the auditors of the Company shall certify in writing that any corresponding adjustment required to be made to the exercise price or the number of Shares to be issued on exercise of the Options is in their opinion fair and reasonable and provided that any such adjustments give the Participant the same proportion of the equity capital of the Company as to which that person was previously entitled. No such adjustment may be made to the extent that a Share will be issued at less than its nominal value.
 14. Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may only be granted to the same grantee provided there are available unissued Options (excluding the cancelled Options) within the limits specified in paragraph 3 above and are otherwise granted in accordance with the terms of the New Scheme.
 15. The Shares issued on exercise of the Options will on issue be identical to the then existing issued Shares of the Company.
 16. The Company by ordinary resolution of Shareholders who do not have an interest in the New Scheme in general meeting or the Board in board meeting may at any time terminate the operation of the New Scheme and in such event no further Options will be offered or granted under the New Scheme. Any granted but unexercised Options shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the New Scheme.
 17. The Options granted will be personal to the Grantees and will not be transferable or assignable.
 18. Subject to the Listing Rules, the New Scheme may be altered from time to time in any respect by a resolution of the Board except that the following alteration of the New Scheme shall require the prior sanction of an ordinary resolution of the Company in general meeting (with all Grantees, prospective Grantees and their respective associates abstaining from voting):
 - (a) any alterations of the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantee(s) or the prospective Grantee(s) (as the case may be);
 - (b) any alterations to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of the Options granted, shall be subject to the approval by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme; and

- (c) any change to the authority of the Directors or administrator of the New Scheme in relation to any alteration of the terms of the New Scheme,

provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with:

- (a) the consent in writing of Grantees holding in aggregate Option which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares the subject of Options outstanding on that date; or
- (b) the sanction of a special resolution passed at a meeting of the Grantees.

Any amended terms of this Scheme or Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time).

II. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

A grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until an announcement of such price sensitive information has been published in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (1) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

III. PRESENT STATUS OF THE NEW SCHEME

The adoption of the New Scheme is conditional on:

- (1) the Shareholders passing an ordinary resolution at the SGM to approve the termination of the Existing Scheme;

- (2) the Shareholders passing an ordinary resolution at the SGM to approve and adopt the New Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Scheme; and
- (3) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares to be issued pursuant to any exercise of the Options and which Shares must not in aggregate exceed 10% of the issued share capital of the Company as at the Adoption Date no later than 3 calendar months after the Adoption Date (or such later date as the Board may decide).

If condition (3) above is not satisfied within 3 calendar months after the Adoption Date, the New Scheme shall forthwith determine, any Option granted or agreed to be granted pursuant to the New Scheme and any offer of such a grant shall be of no effect, and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Scheme or any Option and the Existing Scheme shall continue to operate. The Company has convened a special general meeting for satisfaction of conditions (1) and, (2) above, amongst others, on 15th August, 2012.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in any Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Scheme.

NOTICE OF SPECIAL GENERAL MEETING



S T A R L I T E

HOLDINGS LIMITED

星光集團有限公司*

A Member of the Starlite Group

(Incorporated in Bermuda with limited liability)

(Stock Code: 403)

NOTICE IS HEREBY GIVEN THAT a special general meeting of the Company will be held at Regal Oriental Hotel, 1st Floor, Conference Room II, 30–38 Sa Po Road, Kowloon City, Hong Kong on Wednesday, 15th August, 2012 at 4:30 p.m. (or so soon thereafter as the 2012 Annual General Meeting of the members of the Company convened at 4:00 p.m. on the same date shall have been concluded) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution:

ORDINARY RESOLUTIONS

“THAT:

- (i) the existing share option scheme of the Company adopted on 6th September, 2002 be and is hereby terminated; and
- (ii) the share option scheme of the Company in the form produced before this meeting and for the purpose of identification marked “A” and signed by the Chairman of the meeting (the “Share Option Scheme”) be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to grant Options to subscribe for Shares thereunder and to allot and issue and deal with Shares pursuant to the exercise of any subscription rights attaching to any Options up to 10% of the issued share capital of the Company at the date hereof granted under the Share Option Scheme,

conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of and permission to deal in any shares to be issued pursuant to the exercise of any options granted under the Share Option Scheme.”

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

Hong Kong, 27th July, 2012

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

As at the date hereof, the Executive Directors of the Company are Mr. Lam Kwong Yu, Mr. Tai Tzu Shi, Angus and Mr. Cheung Chi Shing, Charles, 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, BBS, JP and Mr. Tam King Ching, Kenny.

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy of the meeting is enclosed. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, the form of proxy must be under its common seal or, under the hand of an officer, attorney or other person duly authorised to sign the same.
- (3) In order to be valid, a form of proxy must be deposited with the Company Secretary at the head office and principal place of business of the Company at 3rd Floor, Perfect Industrial Building, 31 Tai Yau Street, Sanpokong, Kowloon, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof.
- (4) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting, then one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (5) The Register of Members of the Company will be closed from Monday, 13th August, 2012 to Wednesday, 15th August, 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Special General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 10th August, 2012.