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## **STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 211)

### **ISSUE OF CONVERTIBLE BONDS**

The Board is pleased to announce that the Company and each of the Subscribers entered into the Subscription Agreements respectively in respect of the issue of the Convertible Bonds in the aggregate principal amount of HK\$9,880,000 due 2012. Completion of the Subscription Agreements is subject to the conditions as set out in the section headed “Conditions precedent” herein. Detailed terms of the Convertible Bonds are set out in the section headed “Principal terms of the Convertible Bonds” below.

The net proceeds from the issue of the Convertible Bonds of approximately HK\$9.3 million will be applied towards as to approximately HK\$2.5 million for partial repayment of mortgage loans and the remaining balance of approximately HK\$6.8 million for the development of the brokerage and financing business of the Ever-Long Group and/or any suitable investment(s). As at the date of this announcement, no suitable investment(s) has been yet identified by the Company.

The SGM will be convened and held at which resolutions will be proposed to seek approvals by the Shareholders for, among other matters, the issue of the Convertible Bonds and the allotment and issue of the relevant Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds. To the best of the Directors’ information and knowledge, no Shareholders have material interests in the issue of Convertible Bonds and therefore no Shareholders are required to abstain from voting in the SGM.

A circular containing, among other matters, further details of the Subscription Agreements and the Convertible Bonds and the notice of the SGM will be despatched to the Shareholders in compliance with the Listing Rules.

Trading in the Shares has been suspended at the request of the Company since 21 April 2004. Trading in the Shares will remain suspended until further notice.

## **SUBSCRIPTION AGREEMENTS**

### **Subscription Agreement 1**

#### **Date**

9 July 2007

#### **Parties**

Issuer: the Company

Subscriber: the Subscriber 1

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 1 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 1, the Subscriber 1 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 1 and the Convertible Bonds.

### **Subscription Agreement 2**

#### **Date**

9 July 2007

#### **Parties**

Issuer: the Company

Subscriber: the Subscriber 2

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 2 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 2, the Subscriber 2 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 2 and the Convertible Bonds.

### **Subscription Agreement 3**

#### **Date**

9 July 2007

#### **Parties**

Issuer: the Company

Subscriber: the Subscriber 3

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 3 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 3, the Subscriber 3 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 3 and the Convertible Bonds.

### **Subscription Agreement 4**

#### **Date**

9 July 2007

#### **Parties**

Issuer: the Company

Subscriber: the Subscriber 4

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 4 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement. The Subscriber 4 is an ex-director of the Company resigned on 30 October 1993.

Pursuant to the conditional Subscription Agreement 4, the Subscriber 4 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$780,000 subject to the terms and conditions of the Subscription Agreement 4 and the Convertible Bonds.

## **Subscription Agreement 5**

### **Date**

9 July 2007

### **Parties**

Issuer: the Company

Subscriber: the Subscriber 5

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 5 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 5, the Subscriber 5 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 5 and the Convertible Bonds.

## **Subscription Agreement 6**

### **Date**

9 July 2007

### **Parties**

Issuer: the Company

Subscriber: the Subscriber 6

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 6 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 6, the Subscriber 6 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 6 and the Convertible Bonds.

## **Subscription Agreement 7**

### **Date**

9 July 2007

### **Parties**

Issuer: the Company

Subscriber: the Subscriber 7

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 7 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 7, the Subscriber 7 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 7 and the Convertible Bonds.

## **Subscription Agreement 8**

### **Date**

9 July 2007

### **Parties**

Issuer: the Company

Subscriber: the Subscriber 8

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 8 is an Independent Third Party. The Subscriber did not hold any Shares or other securities in the Company and is not acting in concert with any of the Company's Shareholders in respect of the Company as at the date of this announcement.

Pursuant to the conditional Subscription Agreement 8, the Subscriber 8 agreed to subscribe and the Company agreed to issue the Convertible Bonds in principal amount of HK\$1,300,000 subject to the terms and conditions of the Subscription Agreement 8 and the Convertible Bonds.

To the best of the Directors' knowledge, information and belief, each of the Subscribers is independent of each other and/or the Option Subscriber and their respective connected persons (as defined in the Listing Rules).

## **Principal terms of the Convertible Bonds**

- Principal amount: HK\$9,880,000, as to HK\$1,300,000 to be issued to Subscriber 1, as to HK\$1,300,000 to be issued to Subscriber 2, as to HK\$1,300,000 to be issued to Subscriber 3, as to HK\$780,000 to be issued to Subscriber 4, as to HK\$1,300,000 to be issued to Subscriber 5, as to HK\$1,300,000 to be issued to Subscriber 6, as to HK\$1,300,000 to be issued to Subscriber 7 and the balance of HK\$1,300,000 to Subscriber 8
- Interest rate: The Convertible Bonds shall not carry any interest.
- Maturity date: Unless previously redeemed, repurchased and cancelled or converted, any outstanding Convertible Bonds shall be redeemed on the date falling on the fifth anniversary of the date of issue of the Convertible Bonds.
- Ranking: The Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company.
- Early redemption: The Company shall be entitled at any time while the Convertible Bonds are outstanding to redeem the Convertible Bonds or any part thereof at 110% of the principal amount of the Convertible Bonds (in multiples of HK\$26,000).
- Conversion: Provided that any conversion of the Convertible Bonds does not trigger off a mandatory offer under rule 26 of the Code on the part of each of the Subscribers, each of the Subscribers will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Shares at any time and from time to time, from the date of issue of the Convertible Bonds in amounts of not less than a whole multiple of HK\$26,000 on each conversion.
- Conversion price: The conversion price is initially HK\$0.026 per Share, subject to adjustment for, among other matters, subdivision or consolidation of Shares, rights issue, extraordinary stock or cash distribution, and other dilutive events (which are the standard anti-dilution adjustment). The conversion price represents:
- (i) a premium of approximately 4% over the closing price per Share as quoted on the Stock Exchange of HK\$0.025 on 20 April 2004, being the Last Full Trading Day; and
  - (ii) a discount of approximately 0.76% to the average of the closing prices of HK\$0.0262 per Share for the last five consecutive trading days up to and including the Last Full Trading Day.

Voting: Each of the Subscribers will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the Convertible Bonds.

Transfer: With the prior written consent of the Company, the Convertible Bonds may be transferable provided always that no transfer or assignment of the Convertible Bonds shall be made to any connected person of the Company (as defined in Chapters 1 and 14A of the Listing Rules).

Based on the conversion price of HK\$0.026 per Conversion Share, a maximum number of 380,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent: (i) approximately 20.307% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.88% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full (but without taking into account of any Shares which may be allotted and issued upon the exercise of any share options in issue). The conversion price of the Convertible Bonds is determined between the Company and each of the Subscribers respectively and independently of each other and/or the Option Subscriber after arm's length negotiations.

Set out below is a table showing the breakdown of Conversion Shares to be allotted and issued to each of the Subscribers assuming the exercise of the conversion rights attaching to the Convertible Bonds in full:–

	<b>Number of Conversion Shares to be allotted and issued assuming the exercise of the conversion rights attaching to the Convertible Bonds in full</b>	<b>Approximate percentage to the existing issued share capital of the Company</b>	<b>Approximate percentage to the enlarged issued share capital of the Company as a result of the issue of the 380,000,000 Conversion Shares</b>
Subscriber 1	50,000,000	2.672%	2.221%
Subscriber 2	50,000,000	2.672%	2.221%
Subscriber 3	50,000,000	2.672%	2.221%
Subscriber 4	30,000,000	1.603%	1.333%
Subscriber 5	50,000,000	2.672%	2.221%
Subscriber 6	50,000,000	2.672%	2.221%
Subscriber 7	50,000,000	2.672%	2.221%
Subscriber 8	50,000,000	2.672%	2.221%
<b>Total</b>	<b><u>380,000,000</u></b>	<b><u>20.307%</u></b>	<b><u>16.88%</u></b>

The Conversion Shares will rank pari passu in all respects with the Shares then in issue as at the date of allotment and issue of the Conversion Shares.

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

### **Conditions precedent**

Completion of the Subscription Agreements is conditional upon the fulfillment of the following conditions precedent:

- (a) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions to which the Company and the Subscriber have no reasonable objection) listing of and permission to deal in the Conversion Shares;
- (b) if necessary, the Shareholders having approved the transactions contemplated in each of the respective Subscription Agreements and the issue of the Convertible Bonds and the issue and allotment of the Conversion Shares upon the exercise of the Conversion Rights or otherwise pursuant to the Conditions at the SGM;
- (c) there being no event existing or having occurred and no condition being in existence which would be (after the issue of the Convertible Bonds) an event of default under the Convertible Bonds and no event or act having occurred which, with the giving of notices, or the lapse of time, or both, would (after the issue of the Convertible Bonds), constitute such an event of default;
- (d) the Subscribers being satisfied in its absolute discretion with the results of the due diligence review to be conducted on the assets, liabilities, affairs and operations of the Group;
- (e) the warranties given by the Company to each of the Subscribers under the Subscription Agreements remaining true, accurate and complete in all material respects; and
- (f) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of each of the respective Subscription Agreements and the transactions contemplated thereby having been obtained.

If any of the above conditions are not fulfilled on or before 31 October 2007 or such other date as the Company and the relevant Subscribers may agree, the Subscription Agreements will lapse and become null and void and the parties thereto shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

### **Deposit**

Pursuant to the Subscription Agreements, each of the Subscribers paid the Company an amount equivalent to 10% of the subscription price of the Convertible Bonds as non-refundable deposit upon signing the Subscription Agreements. The deposit shall in no event or circumstances be refundable to the relevant Subscribers irrespective whether or not the conditions have been fulfilled.



## **Completion**

Completion of the Subscription Agreements shall take place on the third business day following the date on which the above conditions are fulfilled.

## **Termination**

Each of the Subscribers may, by notice to the Company given at any time prior to payment of the subscription price for the Convertible Bonds to the Company, terminate the relevant Subscription Agreement in any of the following circumstances:

- (a) in the reasonable opinion of the Subscriber, the success of the Subscription would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Subscription; or
  - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Subscription; or
  - (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Subscriber is likely to materially or adversely affect the success of the Subscription or otherwise makes it inexpedient or inadvisable to proceed with the Subscription; or
  - (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
  - (v) any material breach of any of the representations, warranties or undertakings contained in the Subscription Agreement comes to the knowledge of the Subscriber.

In the event that the Subscriber terminates the Subscription Agreement, the obligations of all parties under the relevant Subscription Agreement shall terminate forthwith and no party thereto shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

#### **REASON FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS**

The Company is an investment holding company. The principal activities of the Group consist of investment holdings, securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment. The Group held listed equity investments in Hong Kong.

The gross and net proceeds from the issue of the Convertible Bonds are estimated to be approximately HK\$9,880,000 and HK\$9,300,000 respectively. It is intended that the net proceeds from the issue of the Convertible Bonds will be applied towards as to approximately HK\$2.5 million for partial repayment of mortgage loans granted by the Bank of China to the Group and secured by the Group's properties and the remaining balance of approximately HK\$6.8 million for the development of the brokerage and financing business of Ever-Long Capital Limited and Ever-Long Securities Company Limited (together as the "Ever-Long Group") and/or any suitable investment(s). The Ever-Long Group comprises wholly owned subsidiaries of the Company. As at the date of this announcement, no suitable investment(s) has been yet identified by the Company.

The Directors are of the view that the issue of the Convertible Bonds to the Subscribers under the Subscription Agreements represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The Directors have also considered other means of financing but are of the opinion that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreements, which were arrived at after arm's length negotiations between the Company and each of the Subscribers respectively, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. It is a commercial decision of each of the Subscribers, after arm's length negotiation and with full knowledge of, amongst other things, the reasons for the continuing suspension of trading in the Shares and the current status in relation to resumption of trading in the Shares as well as the fact that resumption of trading in the Shares is one of the conditions for granting of listing approval of the Conversation Shares, to subscribe for the Convertible Bonds.

## SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after full conversion of the Convertible Bonds is as follows:

Shareholders	At the date of this announcement		Immediately after full conversion of the Convertible Bonds in full but before the exercise of the Options		Immediately after full conversion of the Convertible Bonds in full and the full exercise of the Options	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Mr. Cheung Chi Shing, Kenneth and Ms. Yeung Han Yi, Yvonne (Note 1)	399,995,967	21.38%	399,995,967	17.7683%	399,995,967	15.26%
Mr. Rajkumar M Daswani (Note 2)	112,411,667	6.01%	112,411,667	4.99%	112,411,667	4.289%
Ms. Chan Chi Mei, Miranda (Note 3)	39,288	0.002%	39,288	0.0017%	39,288	0.001%
Option Subscriber	-	-	-	-	370,000,000	14.12%
Public: The Subscribers	-	-	380,000,000	16.88%	380,000,000	14.50%
Other public Shareholders	<u>1,358,741,757</u>	<u>72.61%</u>	<u>1,358,741,757</u>	<u>60.36%</u>	<u>1,358,741,757</u>	<u>51.83%</u>
Total	<u>1,871,188,679</u>	<u>100.00%</u>	<u>2,251,188,679</u>	<u>100.00%</u>	<u>2,621,188,679</u>	<u>100.00%</u>

*Note 1:* Mr. Cheung Chi Shing, Kenneth (“Mr. Cheung”) personally holds 299,995,967 shares of the Company. He is the sole shareholder of K. Y. Limited (“KY”) which holds 60,000,000 Shares and through its wholly-owned subsidiary K. C. (Investment) Limited holds 10,000,000 Shares. Ms. Yeung Han Yi, Yvonne (“Ms. Yeung”) personally holds 30,000,000 Shares. Ms. Yeung is the spouse of Mr. Cheung and accordingly both are deemed to be interested in 399,995,967 Shares.

*Note 2:* The interests of Mr. Rajkumar M Daswani are set out based on his notification given to the Company on 1 April 2004 pursuant to the Securities and Futures Ordinance (“SFO”). On 7 December, 2004, the Company wrote to him for his shareholding in the Company and received a letter dated 13 December, 2004 from him that he and Shalini R Daswani in joint account held 114,731,667 Shares as at 30 September 2004. The Company did not receive valid notification pursuant to the SFO from Shalini R Daswani.

*Note 3:* Ms Chan Chi Mei Miranda is an executive Director of the Company.

*Note 4:* More information regarding to the substantial shareholding of the Company has been set out in the annual report for the year ended 31 March 2007 of the Company.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>	<b>Status</b>
21 June 2007	Grant of options to subscribe up to a maximum of 370,000,000 Shares at the subscription price of HK\$0.024 per Share	Approximately HK\$8,680,000 upon the full exercise of the options	To be applied as general working capital of the Group	Not applicable as the options has not been exercised yet	The Option Agreement has not been completed. The non-refundable deposit in the sum of HK\$1,000,000 paid by the Option Subscriber has been used to partially repay the bank overdraft of the Group

Save as disclosed above, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

## **SGM**

The SGM will be convened and held at which resolutions will be proposed to seek approvals by the Shareholders for, among other matters, the issue of the Convertible Bonds and the allotment and issue of the relevant Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds. To the best of the Directors' information and knowledge, no Shareholders have material interests in the issue of Convertible Bonds and therefore no Shareholders are required to abstain from voting at the SGM.

## **GENERAL**

A circular containing, among other matters, further details of the Subscription Agreements and the Convertible Bonds and the notice of the SGM will be despatched to the Shareholders in compliance with the Listing Rules.

## **SUSPENSION OF TRADING**

Trading in the Shares has been suspended at the request of the Company since 21 April 2004. Trading in the Shares will remain suspended until further notice.

## **DEFINITIONS**

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

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	board of the Directors
“Code”	The Hong Kong Code on Takeovers and Mergers
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription Agreements
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the zero coupon convertible bonds in aggregate principal amount of HK\$9,880,000 due 2012 to be issued by the Company to the Subscribers pursuant to the Subscription Agreements
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Last Full Trading Day”	20 April 2004, being the last full trading day prior to the suspension of trading in Shares with effect from 21 April 2004
“Listing Committee”	the Listing Committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the 370,000,000 options granted by the Company to the Option Subscriber pursuant to the Option Agreement for the allotment and issue of the Subscription Shares on the basis that one Option will entitle the holder thereof to subscribe for one Share
“Option Agreement”	the option agreement dated 7 June 2007 entered between the Company and the Option Subscriber
“Option Subscriber”	Gloryrise Group Limited, the subscriber for the Options under the Option Agreement
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the transactions contemplated under the Subscription Agreements, including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber 1”	Chan Kim Wai, director of a wholesale company, an individual investor and an Independent Third Party
“Subscriber 2”	Chan Pui Ying, technical officer, an individual investor and an Independent Third Party
“Subscriber 3”	Chow Wai Fong, assistant business development manager, an individual investor and an Independent Third Party
“Subscriber 4”	So Chee Keung, merchant, an individual investor and an Independent Third Party
“Subscriber 5”	Tang Sau Kuen, supervisor in a retail company, an individual investor and an Independent Third Party
“Subscriber 6”	Tsui Bo Yan Kathy, customer service officer, an individual investor and an Independent Third Party

“Subscriber 7”	Wong Wing Shun Vincent, assistant unit manager in a life underwriter, an individual investor and an Independent Third Party
“Subscriber 8”	Woo Kam Po, senior consultant in marketing, an individual investor and an Independent Third Party
“Subscribers”	together the Subscriber 1, the Subscriber 2, the Subscriber 3, the Subscriber 4, the Subscriber 5, the Subscriber 6, the Subscriber 7 and the Subscriber 8, and “Subscriber” shall mean any one of the Subscribers
“Subscriptions”	the subscriptions of the Convertible Bonds by each of the Subscribers pursuant to the terms of the Subscription Agreements
“Subscription Agreement 1”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 1 in relation to the subscription of the Convertible Bonds by Subscriber 1
“Subscription Agreement 2”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 2 in relation to the subscription of the Convertible Bonds by Subscriber 2
“Subscription Agreement 3”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 3 in relation to the subscription of the Convertible Bonds by Subscriber 3
“Subscription Agreement 4”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 4 in relation to the subscription of the Convertible Bonds by Subscriber 4
“Subscription Agreement 5”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 5 in relation to the subscription of the Convertible Bonds by Subscriber 5
“Subscription Agreement 6”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 6 in relation to the subscription of the Convertible Bonds by Subscriber 6
“Subscription Agreement 7”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 7 in relation to the subscription of the Convertible Bonds by Subscriber 7
“Subscription Agreement 8”	the subscription agreement dated 9 July 2007 and entered into between the Company and the Subscriber 8 in relation to the subscription of the Convertible Bonds by Subscriber 8

“Subscription Agreements” together the Subscription Agreement 1, the Subscription Agreement 2, the Subscription Agreement 3, the Subscription Agreement 4, the Subscription Agreement 5, the Subscription Agreement 6, the Subscription Agreement 7 and the Subscription Agreement 8, and “Subscription Agreement” shall mean any one of the Subscription Agreements

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board  
**Styland Holdings Limited**  
**Lim Man San, David**  
*Chairman*

Hong Kong, 16 August 2007

*As at the date of this announcement, the Board comprises four executive Directors, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Mr. Cheung Hoo Win, Ms. Zhang Yuyan and three independent non-executive Directors, Mr. Lim Man San David, Mr. Yeung Shun Kee Edward and Mr. Chow Pat Kan.*