
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Styland Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy 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.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

**ISSUE OF CONVERTIBLE BONDS,
ELECTION OF DIRECTORS
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of the Company to be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on 23 October 2007 at 11:00 a.m. is set out on page 19 of this circular. A form of proxy for use at the special general meeting is also enclosed.

Whether or not you intend to attend and vote at the special general meeting, you are requested to complete and return the enclosed form of proxy to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

4 October 2007

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DEFINITIONS

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

“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
“Latest Practicable Date”	2 October 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Chan”	Ms. Chan Chi Mei Miranda, a former executive Director
“Ms. Yeung”	Ms. Yeung Han Yi Yvonne, a former executive Director

DEFINITIONS

“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 and the election of Ms. Yeung and Ms. Chan as Directors
“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 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

DEFINITIONS

- “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.

LETTER FROM THE BOARD



STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

Executive Directors:

Mr. Cheung Hoo Win

Ms. Zhang Yuyan

Independent non-executive Directors:

Mr. Lim Man San David (*Chairman*)

Mr. Yeung Shun Kee Edward

Mr. Chow Pat Kan

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Head office and principal place

of business in Hong Kong:

28th Floor, Aitken Vanson Centre

61 Hoi Yuen Road

Kwun Tong, Kowloon

Hong Kong

4 October 2007

To the Shareholders

Dear Sir or Madam,

ISSUE OF CONVERTIBLE BONDS, ELECTION OF DIRECTORS AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 16 August 2007 in respect of the Subscriptions of the Convertible Bonds in aggregate principal amount of HK\$9,880,000 by the eight Subscribers.

Reference is also made to the supplemental notice of annual general meeting of the Company dated 10 September 2007, in relation to, among other matters, the proposed election of Ms. Yeung and Ms. Chan as Directors. Reference is also made to the announcement of the Company regarding the results of the annual general meeting of the Company held on 21 September 2007.

The purpose of this circular is to provide you with (i) details of the Subscriptions; (ii) details of Ms. Yeung and Ms. Chan for the proposed election of Directors; and (iii) the notice of SGM.

LETTER FROM THE BOARD

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 Latest Practicable Date.

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 Latest Practicable Date.

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.

LETTER FROM THE BOARD

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 Latest Practicable Date.

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 Latest Practicable Date. 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.

LETTER FROM THE BOARD

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 Latest Practicable Date.

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 Latest Practicable Date.

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.

LETTER FROM THE BOARD

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 Latest Practicable Date.

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 Latest Practicable Date.

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).

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 the announcement dated 16 August 2007; 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:

	Number of Conversion Shares to be allotted and issued assuming the exercise of the conversion rights attaching to the Convertible Bonds in full	Approximate percentage to the existing issued share capital of the Company	Approximate percentage to the enlarged issued share capital of the Company as a result of the issue of the 380,000,000 Conversion Shares
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%
Total	380,000,000	20.307%	16.88%

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.

LETTER FROM THE BOARD

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 Subscribers 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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 loan 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 Latest Practicable Date, 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 to subscribe for the Convertible Bonds.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of the announcement dated 16 August 2007 and immediately after full conversion of the Convertible Bonds is as follows:

Shareholders	At the date of the announcement dated 16 August 2007		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	
	<i>No. of Shares</i>	<i>Approximate percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>
Mr. Cheung Chi Shing, Kenneth and Ms. Yeung Han Yi, Yvonne (<i>Note 1</i>)	399,995,967	21.38%	399,995,967	17.7683%	399,995,967	15.26%
Mr. Rajkumar M Daswani (<i>Note 2</i>)	112,411,667	6.01%	112,411,667	4.99%	112,411,667	4.289%
Ms. Chan Chi Mei, Miranda (<i>Note 3</i>)	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	1,358,741,757	72.61%	1,358,741,757	60.36%	1,358,741,757	51.83%
Total	1,871,188,679	100.00%	2,251,188,679	100.00%	2,621,188,679	100.00%

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 was 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 of the Company for the financial year ended 31 March 2007.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds	Status
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 Latest Practicable Date.

ELECTION OF DIRECTORS

Reference is made to the supplemental notice of annual general meeting of the Company dated 10 September 2007 in relation to, among other matters, the proposed election of Ms. Yeung and Ms. Chan as Directors.

In order to provide sufficient time for the Shareholders to consider the proposed election of Directors and comply with the bye-laws of the Company, as disclosed in the announcement of the Company dated 25 September 2007, the Company did not put the nominations of Ms. Yeung and Ms. Chan to Shareholders' vote in the annual general meeting on 21 September 2007, and intended to put them forward in the SGM to be held in due course.

The Directors consider that it is the appropriate time to put forward before the SGM for Shareholders' consideration and approval for the resolutions regarding the election of Ms. Yeung and Ms. Chan as Directors.

Set out below are the particulars of Ms. Yeung and Ms. Chan:

Ms. Yeung Han Yi Yvonne, aged 50, was an executive Director prior to the date of the annual general meeting of the Company held on 21 September 2007. Ms. Yeung has served the Group for 27 years and was appointed a director of the Company in 1991. She has extensive experience in administration, personnel and general management. Ms. Yeung is also a director of other subsidiaries of the Company and the spouse of Mr. Cheung Chi Shing Kenneth, a substantial Shareholder of the Company. Ms. Yeung is the parent of Mr. Cheung Hoo Win, an executive Director. Ms. Yeung has not held any directorship or major appointment in other listed companies in the last three years.

LETTER FROM THE BOARD

Under the service agreement between Ms. Yeung and the Company, there is no fixed tenure of service. She is entitled to a monthly remuneration of HK\$52,800, a discretionary bonus for each completed year of service, medical insurance, payment of premium for a comprehensive all risk insurance policy in respect of car used by her and all fuel and maintenance expenses in connection with the use of such car. Her remuneration is determined with reference to her duties, responsibilities and the prevailing market conditions.

Ms. Yeung was deemed to be interested in 399,995,967 Shares under Part XV of the Securities and Futures Ordinance on the Latest Practicable Date. Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules and no other matters needed to be brought to the attention of the Shareholders in relation to Ms. Yeung's nomination.

Ms. Chan Chi Mei Miranda, aged 46, was an executive Director prior to the date of the annual general meeting of the Company held on 21 September 2007. Ms. Chan joined the Group in 1979 and was appointed as a Director in 1993. Ms. Chan has over 20 years' experience in the trading field and over 9 years in the securities business. She is also a director of other subsidiaries of the Company but not related to any director, senior management, substantial or controlling shareholders of the Company. Ms. Chan has not held any directorship or major appointment in other listed companies in the last three years.

Under the service agreement between Ms. Chan and the Company, there is no fixed tenure of service. Ms. Chan is entitled to a monthly remuneration of HK\$44,000 and discretionary bonus for each completed year of service. Her remuneration is determined with reference to her duties, responsibilities and the prevailing market conditions.

Ms. Chan is interested in 39,288 Shares under Part XV of the Securities and Futures Ordinances on the Latest Practicable Date.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules and no other matters needed to be brought to the attention of the shareholders of the Company in relation to Ms. Chan's nomination.

RESPONSIBILITY STATEMENTS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

SGM

Set out on page 19 of this circular is a notice convening the SGM to consider and, if thought fit, to approve 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. A form of proxy for use at the SGM is enclosed herewith.

LETTER FROM THE BOARD

Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

To the best of the Directors' knowledge, information and belief having making all reasonable enquiries, no Shareholders have a material interest in the proposed issue of Convertible Bonds and are therefore required to abstain from voting at the SGM. To the best of the Directors' knowledge, information and belief having making all reasonable enquiries, as at the Latest Practicable Date, the Subscribers are not interested in any Shares of the Company.

To the best of the Directors' knowledge, information and belief having making all reasonable enquires, no Shareholders (other than Ms. Yeung and Ms. Chan and their respective associates) have a material interest in the proposed election of Directors and are therefore required to abstain from voting at the SGM. Ms. Yeung and Ms. Chan and their respective associates will be abstained from voting at the SGM regarding the respective resolutions relating to the election of Ms. Yeung and Ms. Chan as Directors.

PROCEDURES FOR DEMANDING A POLL

Under bye-law 70 of the bye-laws of the Company, any resolution put to the vote at a general meeting of the Company shall be decided on a show of hands, unless voting by poll has been demanded before or on the declaration of the result of the show of hands or on the withdrawal of another demand for a poll to be taken.

Under bye-law 70 of the bye-laws of the Company, a poll may be properly demanded at a general meeting of the Company in one of the following manners:

- (i) by the chairman of the meeting; or
- (ii) by at least three (3) Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all the Shareholders entitled to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring the right to vote at the meeting being Shares on which an aggregate sum of not less than one-tenth (1/10) of the total sum paid up on all Shares conferring such right has been paid up.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the issue of the Convertible Bonds is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the ordinary resolutions approving the issue of the Convertible Bonds at the SGM.

The Directors also consider that the election of Ms. Yeung and Ms. Chan as Directors are in the interests of the Company and the Shareholders as a whole and accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

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

NOTICE OF SGM



STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 211)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Styland Holdings Limited (the “**Company**”) will be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on 23 October 2007 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of and permission to deal in the 1st Conversion Shares (as defined below),
 - (a) the subscription agreement (the “**Subscription Agreement 1**”) entered into between the Company and Chan Kim Wai (the “**Subscriber 1**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 1**”), a copy of the Subscription Agreement 1 having been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - (b) the allotment and issue of up to 50,000,000 shares (the “**1st Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 1 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 1st Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 1; and
 - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 1 to the Subscriber 1 and the allotment and issue of the 1st Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 1.”

NOTICE OF SGM

2. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 2nd Conversion Shares (as defined below),
 - (a) the subscription agreement (the “**Subscription Agreement 2**”) entered into between the Company and Chan Pui Ying (the “**Subscriber 2**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 2**”), a copy of the Subscription Agreement 2 having been produced to the Meeting and marked “B” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - (b) the allotment and issue of up to 50,000,000 shares (the “**2nd Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 2 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 2nd Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 2; and
 - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 2 to the Subscriber 2 and the allotment and issue of the 2nd Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 2.”

3. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 3rd Conversion Shares (as defined below),
 - (a) the subscription agreement (the “**Subscription Agreement 3**”) entered into between the Company and Chow Wai Fong (the “**Subscriber 3**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 3**”), a copy of the Subscription Agreement 3 having been produced to the Meeting and marked “C” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - (b) the allotment and issue of up to 50,000,000 shares (the “**3rd Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 3 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 3rd Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 3; and

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- (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 3 to the Subscriber 3 and the allotment and issue of the 3rd Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 3.”

- 4. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 4th Conversion Shares (as defined below),
 - (a) the subscription agreement (the “**Subscription Agreement 4**”) entered into between the Company and So Chee Keung (the “**Subscriber 4**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$780,000 zero coupon convertible bonds (the “**Convertible Bonds 4**”), a copy of the Subscription Agreement 4 having been produced to the Meeting and marked “D” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;

 - (b) the allotment and issue of up to 30,000,000 shares (the “**4th Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 4 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 4th Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 4; and

 - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 4 to the Subscriber 4 and the allotment and issue of the 4th Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 4.”

- 5. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 5th Conversion Shares (as defined below),
 - (a) the subscription agreement (the “**Subscription Agreement 5**”) entered into between the Company and Tang Sau Kuen (the “**Subscriber 5**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 5**”), a copy of the Subscription Agreement 5 having been produced to the Meeting and marked “E” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;

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- (b) the allotment and issue of up to 50,000,000 shares (the “**5th Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 5 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 5th Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 5; and
 - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 5 to the Subscriber 5 and the allotment and issue of the 5th Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 5.”
- 6. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 6th Conversion Shares (as defined below),
 - (a) the subscription agreement (the “**Subscription Agreement 6**”) entered into between the Company and Tsui Bo Yan Kathy (the “**Subscriber 6**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 6**”), a copy of the Subscription Agreement 6 having been produced to the Meeting and marked “F” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - (b) the allotment and issue of up to 50,000,000 shares (the “**6th Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 6 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 6th Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 6; and
 - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 6 to the Subscriber 6 and the allotment and issue of the 6th Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 6.”

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7. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 7th Conversion Shares (as defined below),
- (a) the subscription agreement (the “**Subscription Agreement 7**”) entered into between the Company and Wong Wing Shun Vincent (the “**Subscriber 7**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 7**”), a copy of the Subscription Agreement 7 having been produced to the Meeting and marked “G” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - (b) the allotment and issue of up to 50,000,000 shares (the “**7th Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 7 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 7th Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 7; and
 - (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 7 to the Subscriber 7 and the allotment and issue of the 7th Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 7.”
8. “**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the 8th Conversion Shares (as defined below),
- (a) the subscription agreement (the “**Subscription Agreement 8**”) entered into between the Company and Woo Kam Po (the “**Subscriber 8**”) dated 9 July 2007 in relation to the subscription of an aggregate principal amount of HK\$1,300,000 zero coupon convertible bonds (the “**Convertible Bonds 8**”), a copy of the Subscription Agreement 8 having been produced to the Meeting and marked “H” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
 - (b) the allotment and issue of up to 50,000,000 shares (the “**8th Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds 8 be and is hereby approved and the Directors be and are hereby authorised to allot and issue the 8th Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds 8; and

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- (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds 8 to the Subscriber 8 and the allotment and issue of the 8th Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds 8.”

9. **“THAT**

- (a) Ms. Yeung Han Yi Yvonne be elected as an executive director of the Company and the board of directors of the Company be authorised to fix her remuneration; and
- (b) Ms. Chan Chi Mei Miranda be elected as an executive director of the Company and the board of directors of the Company be authorised to fix her remuneration.”

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

Hong Kong, 4 October 2007

Registered office:

Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*

28th Floor, Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company’s branch registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.