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STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 211)

THE OPTION AGREEMENT

The Board is pleased to announce that the Company entered into the Option Agreement with the Subscriber on 7 June 2007, pursuant to which the Company has agreed to grant the Options to the Subscriber in the consideration of HK\$1.00, exercisable within the Option Period of 18 months commencing from the date of fulfillment of conditions precedent set out in the Option Agreement, such that the Subscriber shall be entitled to require the Company to allot and issue up to a maximum of 370,000,000 Subscription Shares at the Subscription Price upon and subject to the terms set out in the Option Agreement.

A sum of HK\$1,000,000 had been paid to the Company upon signing of the Option Agreement as Deposit. The Deposit shall be applied by the Company to set off against the Subscription Price payable by the Subscriber for the relevant Subscription Shares subject to a Call Notice until the Deposit has been fully set off against the Subscription Price. The Company shall be entitled to keep and retain such part of the Deposit which has not been applied to set off against the Subscription Price after the Option Period.

The Subscription Shares will be issued under the general mandate granted to Directors to allot, issue and deal with new Shares at the annual general meeting of the Company held on 31 August 2006.

This announcement is made by the Company pursuant to Chapter 15 of the Listing Rules.

Trading of 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.

THE OPTION AGREEMENT

Date of the agreement

7 June 2007

Parties involved

- (1) The Company, as the Issuer; and
- (2) Gloryrise Group Limited, as the Subscriber.

The entire issued share capital of the Subscriber is wholly and beneficially owned by Mr. Tai Kwok Leung, Alexander.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of the Subscriber and its beneficial owner is a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

To the best of the knowledge of the Directors, Mr. Tai, aged 50, was a registered financial adviser, is a professional investor and member of AICPA. He has over 20 years' experience in the finance field.

Options agreed to be granted

Pursuant to the Option Agreement, the Company has agreed to grant the Options to the Subscriber in the consideration of HK\$1.00, exercisable within the Option Period, such that the Subscriber shall be entitled to require the Company to allot and issue up to a maximum of 370,000,000 Subscription Shares at the Subscription Price upon and subject to the terms set out in the Option Agreement.

To exercise the Options, the Subscriber shall notify the Company in writing by issuing a Call Notice at any time during the Option Period that it wishes to exercise the Options to subscribe for the Subscription Shares and shall specify in such notice the number of the Subscription Shares it wishes to subscribe, the aggregate Subscription Price payable for such Subscription Shares and the amount, if applicable, shall be set off against the Deposit.

The Options can be exercised in whole or in part in relation to all (or part of) the Subscription Shares provided that the Subscription Shares subject to the Call Notice shall be 10,000,000 Shares or an integral multiple thereof provided that where the Subscription Shares subject to the Options is less than 10,000,000 Shares, the Call Notice shall relate to the entire number of such Subscription Shares.

Option Period

18 months commencing from the date of fulfillment of the Conditions Precedent as detailed below.

Subscription Price

HK\$8,880,000 in total assuming all the Options are fully exercised, and equivalent to HK\$0.024 per Subscription Share which represents:

- (i) a discount of approximately 4.0% to the closing price of HK\$0.025 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (ii) a discount of approximately 8.4% to the average of the closing prices of HK\$0.0262 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Full Trading Day; and
- (iii) a discount of approximately 8.4% to the average of the closing prices of HK\$0.0262 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Full Trading Day.

The Board considers that the Subscription Price, taking into account the prolonged suspension of trading in the Shares since 21 April, 2004 and the Option Period of 18 months, are fair and reasonable, which are determined after arm's length negotiations between the Company and the Subscriber, and are in the interests of the Company and the Shareholders as a whole.

Subscription Shares

The Subscription Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with all other Shares in issue on the date of allotment and issue of the Subscription Shares. The Subscription Shares will be issued under the General Mandate granted to Directors to allow them to issue up to 374,237,735 new Shares. As at the date of this announcement, the General Mandate had not been utilized.

Upon full exercise of the Options, a total of 370,000,000 Subscription Shares will be issued, representing 19.77% of the existing issued share capital of the Company as at the date of passing of the resolution to approve the general mandate and approximately 16.51% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Deposit

A sum of HK\$1,000,000 had been paid to the Company upon signing of the Option Agreement as deposit and part payment of the Subscription Price for the Subscription Shares.

The Deposit shall be applied by the Company to set off against the Subscription Price payable by the Subscriber for the relevant Subscription Shares subject to a Call Notice until the Deposit has been fully set off against the Subscription Price. The Company shall be entitled to keep and retain such part of the Deposit which has not been applied to set off against the Subscription Price after the Option Period.

Conditions precedent

The grant of the Options and Completion are conditional upon the fulfillment of the following conditions precedent:

- (a) if necessary, the Stock Exchange shall have approved the grant of the Options either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object and the satisfaction of such conditions; and
- (b) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object) listing of and permission to deal in the Subscription Shares to be issued upon the exercise of the Options.

The Company shall use its reasonable endeavours to ensure that the conditions precedent (a) and (b) above are fulfilled as early as practicable and in any event not later than 5:00 p.m. on 10 July 2007 or such later date as the Subscriber may agree with the Company.

If any of the conditions precedent are not fulfilled on or before 5:00 p.m. on 10 July 2007 or such later date as may be agreed between the Subscriber and the Company, and the Subscriber does not by notice in writing the Option Agreement will lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save the liabilities for any antecedent breaches thereof. In such event, the Company is entitled to keep and retain the full amount of the Deposit although it is not expressly stipulated in the Option Agreement.

Completion

Subject to fulfillment of the conditions precedent as detailed above and exercise of the Options by the Subscriber within the Option Period, Completion shall take place at 3:00 p.m. at the principal place of business of the Company on the Completion Date.

Transfer of the Options

The Options may, with the prior written consent of the Company, be assigned or transferred by the holder for the time being thereof, in whole or in whole multiples of 10,000,000 Options (provided that where the Options for such holder is less than 10,000,000, the entire number of such Options shall be assigned or transferred), to any person other than a connected person (as defined in Chapters 1 and 14A of the Listing Rules).

It is a term of the Option Agreement that the Options cannot be transferred to connected persons (as defined under the Listing Rules) of the Company.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 1,871,188,679 Shares in issue. The shareholding structure of the Company before and after the full exercise of the Options (assuming the Options are exercised in full) are as follows:

Shareholder	At the date of this announcement		Immediately after full exercise of the Options (assuming full subscription of the Options)	
	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	17.85
Mr. Rajkumar M Daswani (Note 2)	112,411,667	6.01	112,411,667	5.02
Mr. Chan Chi Mei, Miranda	39,288	–	39,288	–
Subscriber	–	–	370,000,000	16.51
Other public Shareholders	1,358,741,757	72.61	1,358,741,757	60.62
Total	<u>1,871,188,679</u>	<u>100.00</u>	<u>2,241,188,679</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: More information regarding to the substantial shareholding of the Company has been set out in the interim report 2006-2007 of the Company dated 14 December 2006.

REASON FOR ENTERING INTO THE OPTION AGREEMENT AND USE OF PROCEEDS

The Company acts as an investment holding company. The principal activities of the Group consist of investment holdings, securities dealing and broking, financing, 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 exercise of the Options by the Subscriber are estimated to be approximately HK\$8,880,000 (representing a price of HK\$0.024 per Subscription Share) and approximately HK\$8,680,000 (representing a net price of about HK\$0.0235 per Subscription Share) respectively. The Group intends to apply the net proceeds for the general working capital of the Group

The Directors consider that, given the Deposit had been paid to the Company upfront, the grant of the Options provides a good opportunity for the Company to raise additional capital for the Company upon the exercise of the Options since it may not have an immediate dilution effect on the shareholding of the existing Shareholders as that in the case of placing of Shares. The Company is also able to negotiate with the Subscriber to come up with the Subscription Price, which represents a reasonable discount to the closing prices of Shares as quoted on the Stock Exchange prior to its suspension on 21 April 2004.

The Directors have considered other means of equity financing such as rights issue which will however be comparatively costly and time-consuming, and underwriting in respect of the same have not been identified.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Option Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) considered that if the Options are not exercised during the Option Period, the Group's business operations will be financed by internal resources of the Group and hence, the Group will not be adversely affected.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST TWELVE MONTHS

The Company has not conducted any fund raising activities during the past 12 months immediately prior to the date of this announcement.

APPLICATION FOR LISTING

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares to be issued upon exercise of the Options. However, the Options will not be listed on the Stock Exchange.

GENERAL

This announcement is made by the Company pursuant to Chapter 15 of the Listing Rules.

As at the date of this announcement, the Directors did not anticipate any change in the Board by reason only of the Option Agreement. However, any future change in the Board will be in compliance with the requirements under the Listing Rules.

SUSPENSION OF TRADING

Trading of 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

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Board”	the board of Directors (including independent non-executive Directors)
“Business Day”	a day (excluding Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business
“Call Notice(s)”	the notice(s) to be served by the Subscriber for the exercise of the Options during the Option Period
“Company”	Styland Holdings Limited, a limited liability company incorporated in Bermuda, whose issued Shares are listed on the Stock Exchange
“Completion”	completion of the subscription for and allotment and issue of, the relevant Subscription Shares subject to the Call Notice
“Completion Date”	the third Business Day following the date of the Call Notice (or such other date as may be agreed between the Company and the Subscriber in writing)
“Connected Persons”	has the meaning ascribed thereto under the Listing Rules
“Deposit”	HK\$1,000,000 paid by the Subscriber to the Company under the Option Agreement as deposit and part payment of the Subscription Price for the Subscription Shares
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 374,237,735 new Shares pursuant to an ordinary resolution of the Shareholders at the annual general meeting of the Company held on 31 August 2006
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 Subscriber for the allotment and issue of the Subscription Shares on the basis that one Option will entitle the holder thereof to subscribe for one Subscription Share
“Option Agreement”	the agreement dated 7 June 2007 entered into between the Company and the Subscriber in relation to the grant of the Options by the Company to the Subscriber
“Option Period”	the period of 18 months commencing from the date of fulfillment of conditions precedent set out in the Option Agreement
“Share(s)”	Share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Gloryrise Group Limited, a company incorporated in the British Virgin Islands with limited liability and being the subscriber for the Options
“Subscription Price”	HK\$8,880,000 in total assuming all Options are exercised and, equivalent to HK\$0.024 per Subscription Share
“Subscription Shares”	up to a maximum of 370,000,000 new Shares which the Subscriber shall be entitled to require the Company to allot and issue in exercising the Options
“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, 21 June 2007

As at the date of this announcement, the board of the Company consists of five executive directors, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Mr. Cheung Hoo Win, Mr. Wu Ho Fai David, Ms. Zhang Yuyan and three independent non-executive Directors, Mr. Lim Man San David, Mr. Yeung Shun Kee Edward and Mr. Chow Pat Kan.

Please also refer to the published version of this announcement in International Herald Tribune.