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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Styland Holdings Limited, you should at once hand this circular 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 211)

**GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong at 4:00 p.m. on 19 September, 2008 is enclosed in this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able to attend the annual general meeting, you are requested to complete the enclosed form of proxy and return it in accordance with the instructions printed thereon and return the same to 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event by not later than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof.

Completion and return of the form of proxy will not prevent you from attending and voting at the annual general meeting or at an adjourned meeting should you so wish.

27 August, 2008

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## LETTER FROM THE BOARD

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### STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

*Directors:*

Yeung Han Yi Yvonne  
Chan Chi Mei Miranda  
Zhang Yuyan  
Cheung Hoo Win  
Lim Man San David\*  
Yeung Shun Kee Edward\*  
Chow Pat Kan\*

\* *Independent non-executive directors*

*Principal Office:*

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

*Registered Office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

27 August, 2008

*To the shareholders*

Dear Sir or Madam,

### **GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

At the annual general meeting of Styland Holdings Limited (the "Company") for the year ended 31 March, 2008, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and repurchase shares of the Company. The purpose of this circular is to give you further details of the abovementioned proposals. This circular also contains the explanatory statement in compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve (i) the general mandates to issue shares and repurchase shares and (ii) re-election of retiring directors.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company to be held on 19 September, 2008 (“AGM”) an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and deal with new shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently. This general mandate shall only continue in force until (i) the conclusion of the first annual general meeting of the Company following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (ii) revoked or varied by ordinary resolution of the shareholders in general meeting, whichever occurs first.

On 25 August, 2008 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 1,871,188,679 shares of HK\$0.01 each of the Company (“Shares”). Exercise in full of the mandate, on the assumption that no further Shares are issued or repurchased prior to the date of the AGM, could accordingly result in up to 374,237,735 Shares being issued by the Company, representing 20% of the issued share capital of the Company at the Latest Practicable Date.

### GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. Based on 1,871,188,679 Shares in issue on the Latest Practicable Date and on the assumption that no further Shares are issued or repurchased prior to the date of the AGM, exercise in full of the mandate could accordingly result in up to 187,118,867 Shares being repurchased by the Company.

The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules of the Stock Exchange. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31 March, 2008 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company or such repurchase would result in the public float of the Company falling below 25%.

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## LETTER FROM THE BOARD

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The Company is empowered by its Memorandum of Association and Bye-laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

### **Directors, their associates and connected persons**

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

### **Undertaking of the directors**

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

### **Effect of Takeovers Code**

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 and 32 of the Codes on Takeovers and Mergers and Share Repurchases (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Cheung Chi Shing Kenneth together with his associates and Madam Yeung Han Yi, Yvonne, his spouse (collectively, the “Substantial Shareholder”), who held approximately 21.38 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of the Substantial Shareholder in the Company would be increased to approximately 23.75 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation on it to make a mandatory offer under Rule 26 and 32 of the Code.

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## LETTER FROM THE BOARD

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### Stock Exchange Rules for repurchases of shares

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

### General

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

During each of the previous 12 months, trading in the Shares on the Stock Exchange had been suspended, therefore, no traded prices for Shares on the Stock Exchange were recorded.

### ANNUAL GENERAL MEETING

You will find on pages 8 to 10 of this circular a notice of the AGM to be held at 4:00 p.m. on 19 September, 2008 at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

Resolution no. 5A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5C will be proposed as an ordinary resolution to extend resolution no. 5A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 5B.

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## LETTER FROM THE BOARD

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There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

According to the Bye-laws of the Company, before or on the declaration of the result of voting on a show of hands or on the withdrawal of any other demand for a poll at the AGM, a poll may be demanded by:

- (a) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy entitled to vote at the meeting; or
- (b) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (c) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Lim Man San David, Mr. Yeung Shun Kee Edward and Ms. Zhang Yuyan as directors according to the Company's Bye-laws. Their particulars are as follows:

**Mr. Lim Man San David**, aged 60, is an independent non-executive director of the Company. Mr. Lim was appointed as an independent non-executive director of the Company in 1995. Mr. Lim was the Vice-Chairman of Po Leung Kuk in Hong Kong for the period from 1979 to 1981. He has over 30 years' experience in the fields of trading and securities investment in Hong Kong and Taiwan. Mr. Lim was appointed as chairman of the Company in 2005.

Mr. Lim has a service contract with the Company with a term of two years up to 31 March, 2009 and Mr. Lim is entitled to a remuneration of HK\$80,000 per annum under the service contract. His remuneration is determined with reference to market rates and his time devoted to the Company.

Mr. Lim has not held any directorship or major appointment in other listed companies in the last three years. Mr. Lim does not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinances and does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to 13.51(2)(a) to 13.51(2)(v) of the Listing Rules.

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## LETTER FROM THE BOARD

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**Mr. Yeung Shun Kee Edward**, aged 49, was appointed as an independent non-executive Director of the Company in 2003. He is a qualified accountant and has extensive experience in accounting, auditing and taxation works. Mr. Yeung is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Yeung has a service contract with the Company with a term of two years up to 31 March, 2009. Mr. Yeung is entitled to a remuneration of HK\$80,000 per annum under the service contract. His remuneration is determined with reference to market rates and his time devoted to the Company.

Mr. Yeung has not held any directorship or major appointment in other listed companies in the last three years. Mr. Yeung does not have any interests in the Share within the meaning of Part XV of the Securities and Futures Ordinances and does not have any relationship with any Directors, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to 13.51(2)(a) to 13.51(2)(v) of the Listing Rules.

**Ms. Zhang Yuyan**, aged 46, has been delegated to be the general manager of a joint venture of the Group in the PRC since 1998. Ms. Zhang graduated from Zhongnan University of Economics and Law (中南財經大學) (formerly known as Hubei Economics College (湖北財經學院)). Ms. Zhang has gained extensive years of experience in management and is familiar with the mainland's economic, finance and taxation matters.

Under the service agreement of Ms. Zhang as Director entered with the Company, there is no fixed tenure of service. Ms. Zhang is entitled to a monthly remuneration of HK\$12,500 and a discretionary bonus for each completed year of service. Her remuneration is determined with reference to market rates and her duties and responsibilities in the Group.

Ms. Zhang has not held any directorship or major appointment in other listed companies in the last three years. Ms. Zhang does not have any interests in the Share within the meaning of Part XV of the Securities and Futures Ordinances and does not have any relationship with any Directors, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, there are no other matters relating to the re-election that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to 13.51(2)(a) to 13.51(2)(v) of the Listing Rules.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The directors consider that the granting of general mandates to issue shares and repurchase shares to the Directors and the re-election of the retiring Directors are in the interest of the Company and its shareholders and so recommend you to vote in favour of all resolutions at the AGM.

Yours faithfully,  
By order of the Board  
**Lim Man San, David**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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### STYLAND HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 211)

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the abovenamed company (the “Company”) will be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on 19 September, 2008 at 4:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March, 2008.
2. To approve a final dividend (with scrip option) for the year ended 31 March, 2008 **CONDITIONAL UPON** the Stock Exchange granting a listing of and permission to deal in the scrip shares to be issued thereof and the resumption of trading in the shares of the Company within 3 months from the date of this annual general meeting after trading in the share of the Company was suspended from 21 April, 2004.
3. To re-elect the retiring directors and to authorise the board of directors to fix their remuneration.
4. To appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants or other rights to subscribe for any such shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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B. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
  - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- C. **“THAT** conditional upon resolution nos. 5A and 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5A above provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution.”

By Order of the Board  
**Wang Chin Mong**  
*Company Secretary*

Hong Kong, 27 August, 2008

*Principal Office:*  
28/F, Aitken Vanson Centre,  
61 Hoi Yuen Road,  
Kwun Tong,  
Kowloon  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's principal office in Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) The register of members of the Company will be closed from 17 September, 2008 to 19 September, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited not later than 4:30 p.m. on 16 September, 2008.