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**If you are in 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, 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 and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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## **STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 211)**

- (1) INTERIM CASH DIVIDEND WITH SCRIP ALTERNATIVE  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010;  
(2) PROPOSAL FOR BONUS ISSUE OF SHARES;  
AND  
(3) PROPOSED RE-ELECTION OF DIRECTORS**

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A notice convening a special general meeting of Styland Holdings Limited to be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong at on Friday, 15 April 2011 at 10:30 a.m. is set out on pages 17 to 19 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but 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 meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

28 March 2011

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## DEFINITIONS

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

“2011 Interim Dividend”	the interim dividend of HK0.05 cent per Share in cash and/or in Scrip Shares under the Scrip Dividend Scheme for the six months ended 30 September 2010 payable to the Shareholders whose names were recorded on the register of members of the Company as at the Record Date
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares on the basis of 1 Bonus Share for every 20 existing Shares
“Bonus Share(s)”	the new Shares to be allotted, issued and credited as fully paid-up Shares under the Bonus Issue
“Bye-laws”	the bye-laws of the Company
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Election Form”	the election form to be sent to the Shareholders as soon as practicable after the SGM for Shareholders to elect to receive cash and/or Scrip Shares under the Scrip Dividend Scheme
“Group”	the Company and all of its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 March 2011, being the latest practicable date prior to the printing of this circular of the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	holders of the Shares whose addresses as shown in the register of members on the Record Date are in jurisdictions outside Hong Kong
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)

## DEFINITIONS

“Prohibited Shareholders”	those Overseas Shareholders, the Board, subject to the confirmation by overseas counsels to the enquiries to be made pursuant to Rule 13.36(2) of the Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue and the scrip alternative to elect to receive the 2011 Interim Dividend wholly or partly by allotment of new shares credited as fully paid in lieu of cash under the Scrip Dividend Scheme to them
“Qualifying Shareholders”	holders of Shares whose names are shown on the register of members on the Record Date (and not being Prohibited Shareholders), who are entitled to participate in the Scrip Dividend Scheme and the Bonus Issue
“Record Date”	31 December 2010, being the record date for determination of entitlements to the Scrip Dividend Scheme and the Bonus Issue
“Registrar”	Tricor Tengis Limited, the branch share registrar of the Company in Hong Kong
“Scrip Dividend Scheme”	a scheme of the Company under which the 2011 Interim Dividend was declared to the Shareholders whose names appeared on the register of members of the Company on the Record Date, with a scrip alternative to offer the right to the Shareholders to elect to receive such interim dividend wholly or partly by allotment and issue of Scrip Shares credited as fully paid in lieu of cash
“Scrip Shares”	the new Shares to be allotted, issued and credited as fully paid-up Shares under the Scrip Dividend Scheme
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, among other matters, approve the 2011 Interim Dividend, the Scrip Dividend Scheme, the Bonus Issue and the transactions contemplated thereunder
“Share(s)”	existing issued share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“%”	per cent.

**EXPECTED TIMETABLE FOR BONUS ISSUE**

**2010**

Last day of dealings in the Shares on a cum-entitlement basis . . . . . Wednesday, 22 December

First day of dealing in the Shares on an ex-entitlement basis . . . . . Thursday, 23 December

Latest time for lodging transfers of the Shares for  
registration in order to qualify for the Bonus Issue . . . . . 4:30 p.m. on Tuesday, 28 December

Closure of register of members of the Company for  
determination of entitlement under the Bonus Issue . . . . . 29 December to 31 December

Record date for determination of  
entitlements under the Bonus Issue . . . . . Friday, 31 December

**2011**

Register of members re-opens . . . . . Monday, 3 January

Latest time to return form of proxy for the SGM . . . . . 10:30 a.m. on 13 April

Date and time of SGM . . . . . 10:30 a.m. on 15 April

**LETTER FROM THE BOARD**



**STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 211)**

*Executive Directors:*

Mr. Cheung Hoo Win

*(Chief Executive Officer)*

Mr. Ng Yiu Chuen

Ms. Ho Mei Sheung

Ms. Zhang Yuyan

Ms. Chen Lili

*Registered office:*

Cannon'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

*Independent non-executive Directors:*

Mr. Zhao Qingji *(Chairman)*

Mr. Yeung Shun Kee Edward

Mr. Li Hancheng

Mr. Lo Tsz Fung Philip

28 March 2011

*To the Shareholders*

Dear Sir or Madam,

**(1) INTERIM CASH DIVIDEND WITH SCRIP ALTERNATIVE  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010;  
(2) PROPOSAL FOR BONUS ISSUE OF SHARES;  
AND  
(3) PROPOSED RE-ELECTION OF DIRECTORS**

**INTRODUCTION**

At the forthcoming SGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the 2011 Interim Dividend; (ii) the Scrip Dividend Scheme; (iii) the Bonus Issue; and (iv) the re-election of Directors.

Reference is made to the interim results announcement for the six months ended 30 September 2010 of the Company dated 22 November 2010, in which the Board announced that it had resolved to propose an interim cash dividend with a scrip alternative to offer the right to the Shareholders to elect to receive such interim dividend wholly or partly by allotment and issue of Scrip Shares credited as fully paid in lieu of cash dividend and a Bonus Issue of Shares to the Shareholders as a result of the satisfactory interim results of the Group. The 2011 Interim Dividend and the Bonus Issue are proposed

## LETTER FROM THE BOARD

to be made to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The terms of the Scrip Dividend Scheme and the Bonus Issue are set out below. Reference is also made to the announcement of the Company dated 29 November 2010 in relation to the change of Directors.

### SCRIP DIVIDEND SCHEME

#### Particulars of the Scrip Dividend Scheme

Under the Scrip Dividend Scheme, each Shareholder is entitled to receive the 2011 Interim Dividend in cash with a scrip alternative to offer the right to the Shareholders to elect to receive such interim dividend wholly or partly by allotment of the Scrip Shares credited as fully paid in lieu of cash.

Shareholders may elect to receive the 2011 Interim Dividend in one of the following ways:

- (a) a cash dividend of HK0.05 cent per Share; or
- (b) an allotment of such number of Scrip Shares credited as fully paid and having an aggregate market value (calculated as described below), save for adjustment for fractions, equal to the total amount of 2011 Interim Dividend which such Shareholder would otherwise be entitled to receive in cash; or
- (c) partly in cash and partly in Scrip Shares.

An Election Form will be sent to the Shareholders as soon as practicable after the passing of the ordinary resolution by the Shareholders at the SGM. The last day on which Shareholders will be entitled to select their desired form of dividends will be clearly specified in the Election Form which in any event shall be no less than 10 business days between the despatch of the Election Form and the deadline for returning the completed Election Form. For details concerning the procedures to be taken by the Shareholders in respect of the election of the 2011 Interim Dividend, please refer to the section headed "Election Form" of this circular.

The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme are subject to the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares and the resumption of trading in the Shares. The Scrip Shares will, when issued, rank *pari passu* in all respects with the existing issued Shares. In particular, they will rank in full for all future dividends and distributions which may be declared, made or paid after the date of issue, but will not be entitled to the 2011 Interim Dividend or any other distribution in respect of the six months ended 30 September 2010.

The cash payment, either wholly or partly, for the 2011 Interim Dividend is not subject to the resumption of trading in the Shares. It is expected that the payment date of the 2011 Interim Dividend for those Shareholders who elect to receive cash will be 7 business days after the deadline for returning the completed Election Form.

## LETTER FROM THE BOARD

### Basis of allotment of Scrip Shares

For the purpose of calculating the number of Scrip Shares to be allotted to Shareholders pursuant to the Scrip Dividend Scheme, the price per Scrip Share has been fixed by the Directors at HK\$0.011 per Share being the closing price as quoted on the Stock Exchange on 22 November 2010, the recommendation date for the 2011 Interim Dividend (the “**Recommendation Date**”), which represents a 56% discount to the closing price of HK\$0.025 per Share immediately prior to the suspension of trading in Shares on 21 April 2004 (the “**Share Suspension**”). Accordingly, the number of Scrip Shares which Shareholders will receive in respect of their shareholdings on the Record Date on a pro-rata basis under the Scrip Dividend Scheme will be calculated as follows:

$$\begin{array}{l} \text{Number of Scrip Shares} \\ \text{(ignoring fractions of} \\ \text{shares, if any)} \end{array} = \frac{\text{HK\$0.0005}}{\text{HK\$0.011}} \times \begin{array}{l} \text{Number of Shares held on} \\ \text{the Record Date for the} \\ \text{2011 Interim Dividend} \end{array}$$

In order to be entitled to the Scrip Shares, Shareholders had to lodge transfer forms to the Company’s branch share registrar in Hong Kong no later than 4:30 p.m. on 28 December 2010.

No Shareholder is entitled to be issued any fraction of a Share under the Scrip Dividend Scheme. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will therefore accrue to the Company. For easy reference purpose, set out below is an illustration of the number of Scrip Shares a Shareholder will receive and their value at the Recommendation Date if he/she elect to receive such interim dividend wholly by allotment of the Scrip Shares:

Number of Shares held by a Shareholder	Market value based on the closing price of HK\$0.025 per Share immediately prior to the Share Suspension	Number of Scrip Shares a Shareholder will receive under the Scrip Dividend Scheme	Value of the Scrip Shares based on the closing price of HK\$0.011 on the Recommendation Date
10,000	HK\$250.00	454	HK\$5.00
100,000	HK\$2,500.00	4,545	HK\$50.00
1,000,000	HK\$25,000.00	45,454	HK\$500.00
2,000,000	HK\$50,000.00	90,909	HK\$1,000.00
5,000,000	HK\$125,000.00	227,272	HK\$2,500.00
10,000,000	HK\$250,000.00	454,545	HK\$5,000.00
25,000,000	HK\$625,000.00	1,136,363	HK\$12,500.00
30,000,000	HK\$750,000.00	1,363,636	HK\$15,000.00
50,000,000	HK\$1,250,000.00	2,272,727	HK\$25,000.00
100,000,000	HK\$2,500,000.00	4,545,454	HK\$50,000.00

Application will be made to the Stock Exchange for listing of and permission to deal in the Scrip Shares. It is expected that the Scrip Shares will be allotted and issued upon the approval of the Stock Exchange after the resumption of trading of Shares.



## LETTER FROM THE BOARD

Based on the above arrangement, the Company believes that the Scrip Dividend Scheme is in the interest of the Shareholders, and recommends the Shareholders to vote in favour of the resolution in the SGM.

### **Effect of the Scrip Dividend Scheme**

Based on 1,871,188,679 Shares in issue as at the close of business on the Record Date, subject to approval by the Shareholders in the SGM and assuming all the Qualifying Shareholders elect to receive the 2011 Interim Dividends wholly in the form of an allotment of Scrip Shares credited as fully paid in lieu of cash, the maximum number of Scrip Shares to be issued under the Scrip Dividend Scheme would be 85,054,030 representing 4.55% of the existing and 4.35% of the enlarged issued share capital of the Company.

Shareholders should note that the Scrip Shares may give rise to notification requirements under Part XV of the Securities Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

### **Election Form**

An Election Form will be sent to the Shareholders as soon as practicable after the passing of the ordinary resolution by the Shareholders at the SGM to approve the 2011 Interim Dividend and the Scrip Dividend Scheme.

If you elect to receive your 2011 Interim Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares, you should use the Election Form. If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive Scrip Shares in respect of all the Shares of which you were then registered as the holder.

The Election Form enables Shareholders to elect to receive their 2011 Interim Dividend wholly or partly in Scrip Shares. The Election Form also enables Shareholders to permanently elect to receive all future cash dividends in the form of new Shares in the event that the Shareholders are given the choice of receiving new Shares or cash in respect of future dividends. The permanent election will be valid provided that all the prevailing conditions required by any scrip dividend scheme offered by the Company are fulfilled. The permanent election to receive all future dividends, if offered, in the form of new Shares, can be revoked by the Shareholder sending notice in writing to the Company's branch registrar in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The Election Form should be completed in accordance with the instruction printed on it and returned to the Company's branch registrar in Hong Kong, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than the deadline as specified in the Election Form which in any event shall be no less than 10 business days between the dispatch of the Election Form and the deadline for returning the completed Election Form.

## LETTER FROM THE BOARD

Elections in respect of the 2011 Interim Dividend cannot be in any way withdrawn, revoked, suspended or altered after the relevant Election Forms are signed and lodged with the Company's branch registrar in Hong Kong. No acknowledgement of receipt of the Election Form will be issued.

This circular and the Election Form do not constitute or form part of an offer or solicitation of any offer to buy securities of the Company, and the Election Form is non-transferable.

### **Prohibited Shareholders**

The participation in the Scrip Dividend Scheme by Overseas Shareholders may be affected by the laws of their relevant jurisdictions.

All Shareholders residing outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Scrip Shares.

The Company will make enquiries in the relevant jurisdictions regarding the feasibility of extending the Scrip Dividend Scheme to Shareholders with registered addresses outside Hong Kong and related legal and regulatory restrictions and requirements. As at the Record Date, the Company has 17 Overseas Shareholders situated in the United States of America ("USA"), Australia, the People's Republic of China ("PRC"), Malaysia, Macau Special Administrative Region of the PRC ("Macau"), Taiwan, United Kingdom and Canada. In respect of the Shareholders in USA and Canada, subject to the confirmation by the respective overseas counsels, since registration or filing or other procedures or formalities, subject to certain exceptions, would need to be carried out in relation to the issue of Scrip Shares under the Scrip Dividend Scheme so as to comply with the relevant securities legislation or regulation in USA and Canada respectively, the Board is of the view that the exclusion of the Shareholders in USA and Canada from the scrip alternative to elect to receive the interim dividend wholly or partly by allotment of new shares credited as fully paid in lieu of cash under the Scrip Dividend Scheme is necessary or expedient. Therefore the Scrip Dividend Scheme will be extended to the Prohibited Shareholders to the extent that only cash will be distributed to the Prohibited Shareholders without a scrip alternative to elect to receive the interim dividend wholly or partly by allotment of new shares credited as fully paid in lieu of cash. For the avoidance of doubt, the Shareholders in USA and Canada will not be permitted to participate in the Scrip Dividend Scheme and accordingly, they will receive the 2011 Interim Dividend wholly in cash, whereas the other Overseas Shareholders will still be entitled to participate in the Scrip Dividend Scheme.

The Scrip Shares are to be issued by the Company with the preference and intention that the Shareholders do not on-sell the Scrip Shares but remain medium to long term holders of such Scrip Shares. It is the responsibility of the Shareholders (including Overseas Shareholders) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Scrip Shares under the Scrip Dividend Scheme.

All other Overseas Shareholders receiving this circular outside Hong Kong may not treat the same as invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to them without having to comply with any registration or other legal requirements in the relevant territory. In such circumstances, this circular will be deemed to have been sent for information purposes

## **LETTER FROM THE BOARD**

only. Overseas Shareholders should inform themselves about and observe any applicable restrictions and should consult their professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to participate in the Scrip Dividend Scheme.

The circular and the Election Form do not constitute or form part of an offer or solicitation of any offer to buy securities of the Company. Overseas Shareholders who are in any doubt as to their position should consult their own appropriately authorised professional advisers without delay.

### **Stock Exchange listing and despatch of dividend/share certificates for the Scrip Shares**

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme. No part of the Company's securities is listed or dealt in on any other stock exchange and no such listing or permission to deal is being, or is proposed to be sought. It is expected that share certificates for the Scrip Shares will be posted to Shareholders at their own risks after the Listing Committee of the Stock Exchange has granted the listing of and permission to deal in the Scrip Shares and the resumption of trading of the Shares. On this basis, dealings in the Scrip Shares are expected to commence after the Listing Committee of the Stock Exchange has granted the listing of and permission to deal in the Scrip Shares and the resumption of trading of the Shares. Further announcement will be made to update the Shareholders in relation to the resumption of trading of the Shares and the granting of listing of and permission to deal in the Scrip Shares.

### **PROPOSAL FOR BONUS ISSUE OF SHARES**

#### **Basis of Bonus Issue**

Subject to the conditions as set out under the heading "Conditions of Bonus Issue" below, the Bonus Issue is proposed to be made on the basis of 1 Bonus Share for every 20 existing Shares held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par, by capitalization of such amount standing to the credit of the share premium account of the Company. On the basis of 1,871,188,679 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, 93,559,433 Bonus Shares will be issued under the Bonus Issue (representing approximately 5% of the issued share capital as at the Latest Practicable Date and the Record Date), and HK\$935,594 standing to the credit of the share premium account of the Company will be capitalized for paying up in full at par the Bonus Shares.

#### **Record Date and closure of register of members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Prohibited Shareholders are further elaborated below under the heading "Prohibited Shareholders".

The register of members of the Company was closed from 29 December 2010 to 31 December 2010 in order to determine the entitlement of the Shareholders under the Bonus Issue. In order to qualify for the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 28 December 2010.

## LETTER FROM THE BOARD

### **Reasons for the proposed Bonus Issue**

As a result of the satisfactory interim results of the Group and in recognition of the continual support of the Shareholders, the Board decided to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the Company's shareholder and capital base.

### **Prohibited Shareholders**

The issue of Bonus Shares to Overseas Shareholders under the proposed Bonus Issue may be affected by the laws of their relevant jurisdictions.

All Shareholders residing outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Shares.

The Company will make enquiries in the relevant jurisdictions regarding the feasibility of extending the Bonus Issue to Shareholders with registered addresses outside Hong Kong and related legal and regulatory restrictions and requirements. As at the Record Date, the Company has 17 Overseas Shareholders situated in USA, Australia, PRC, Malaysia, Macau, Taiwan, United Kingdom and Canada. In respect of the Shareholders in USA and Canada, subject to the confirmation by the respective overseas counsels, since registration or filing or other procedures or formalities, subject to certain exceptions, would need to be carried out in relation to the Bonus Issue so as to comply with the relevant securities legislation or regulation in USA and Canada respectively, the Board is of the view that the exclusion of the Shareholders in USA and Canada from the Bonus Issue is necessary or expedient. Therefore the Bonus Shares will not be granted to the Prohibited Shareholders and this circular has been sent to the Shareholders in USA and Canada for information only. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Prohibited Shareholders to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Prohibited Shareholders pro rata to their respective shareholdings and remittances therefore will be posted to them, at their own risks, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company. For the avoidance of doubt, all other Overseas Shareholders will still be entitled to receive the Bonus Shares.

The Bonus Shares are to be issued by the Company with the preference and intention that the Shareholders do not on-sell the Bonus Shares but remain medium to long term holders of such Bonus Shares. It is the responsibility of the Shareholders (including Overseas Shareholders) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Bonus Shares under the Bonus Issue.

### **Status of Bonus Shares**

The Bonus Shares, upon issued, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

## **LETTER FROM THE BOARD**

### **Fraction of Bonus Shares**

The total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be aggregated and issued to a nominee to be named by the Directors and sold for the benefit of the Company.

### **Conditions of Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the SGM of the Company to be held; and
- (ii) the Listing Committee of the Stock Exchange granting the listings of, and permission to deal in, the Bonus Shares.

Application will be made to the Listing Committee of the Stock Exchange in respect of such listings of, and permission to deal in, the Bonus Shares. The Bonus Shares to be issued pursuant to the Bonus Issue are subject to the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares and the resumption of trading of Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. The Shares in issue are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. Dealings in the Bonus Shares are expected to commence upon resumption of trading of the Shares.

### **Certificates for Bonus Shares**

Certificates for the Bonus Shares will be posted as soon as practicable after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date.

### **SGM**

According to the memorandum of association and Bye-laws of the Company, the Shareholders may resolve at a general meeting of the Company for a dividend to be paid or declared and the Board can opt for Shareholders' approval for the Scrip Dividend Scheme and the Bonus Issue. Furthermore, both the Scrip Dividend Scheme and the Bonus Issue will involve issue of Shares of the Company. Accordingly, the Board considers that it is advisable to let the Shareholders to consider and approve the 2011 Interim Dividend, the Scrip Dividend Scheme and the Bonus Issue.

A notice convening the SGM to be held at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Friday, 15 April 2011 at 10:30 a.m. is set out on pages 17 to 19 of this circular. Ordinary resolutions will be proposed at the SGM to approve the 2011 Interim

## LETTER FROM THE BOARD

Dividend, the Scrip Dividend Scheme and the proposal for Bonus Issue. **In the event that the Scrip Dividend Scheme is not approved by the Shareholders at the SGM, the 2011 Interim Dividend will not be paid in cash and/or in Scrip Shares to the Shareholders.**

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk). Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM 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, and in such event, the proxy shall be deemed to be revoked.

All the resolutions proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

### ENTITLEMENT TO 2011 INTERIM DIVIDEND AND BONUS ISSUE OF SHARES

The 2011 Interim Dividend and the Bonus Issue are proposed only to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. As the Stock Exchange has not granted any listing approval for the listing of, and permission to deal in, all the new shares which the Company proposed to issue since suspension, we regret that the potential shareholders of the new shares to be issued under the option agreement, convertible bonds subscription agreements, new shares subscription agreements, scrip dividend schemes and bonus issue proposals as set out below are not entitled the 2011 Interim Dividend and the Bonus Issue.

	<b>No. of Shares</b>
● Shares that may be issued under the option agreement dated 7 June 2007	370,000,000
● Shares that may be issued under the convertible bonds subscription agreements all dated 9 July 2007	380,000,000
● Shares to be issued under the new shares subscription agreements all dated 15 November 2007	300,000,000
● Scrip shares to be issued under the interim dividend scheme for the 6 months ended 30 September 2008	187,118,867
● Scrip shares to be issued under interim dividend scheme for the 6 months ended 30 September 2009	106,222,573
● Scrip shares to be issued under final dividend scheme for the year ended 31 March 2010	106,593,197
● Bonus shares to be issued under the bonus issue proposal proposed on 27 November 2009	187,118,867
● Bonus shares to be issued under the bonus issue proposal proposed on 19 July 2010	187,118,867
	<hr/> <u>1,824,172,371</u>

## LETTER FROM THE BOARD

The Company promises to make every effort to have the trading in Shares resumed as soon as possible so that the new shares which may or will be issued to the potential shareholders or its existing shareholders (as the case may be) under the above option agreement, convertible bonds subscription agreements, new shares subscription agreements, scrip dividend schemes and bonus issue proposals will be entitled equally in all respects with existing Shareholders when the Shares are allotted and/or issued pursuant to their respective agreements, schemes or proposals. Adjustment may be made to the exercise price of the share options, conversion price of the convertible bonds and/or the subscription price for the subscription of new shares of the Company subject to confirmation from the auditors of the Company. The Company will make further announcement upon the aforesaid adjustments to the share options, convertible bonds and/or subscription of new shares of the Company, if adjustment is required and has been made.

However, due to the prolonged suspension of trading of Shares, the market value of the Shares cannot be reflected. In addition, after the recommendations of the 2011 Interim Dividend and the Bonus Issue, the theoretical ex-entitlement price of the Shares was adjusted to HK\$0.01 per share, which is the lowest benchmark price for a listed company pursuant to Rule 13.64 of the Listing Rules. The Company regrets that there may be a technical problem to declare further dividends if the trading in the Shares remains suspended even though it continues to record positive returns.

Though the Company is not able to guarantee similar dividend policy in the future, it will do the best to keep the good performance so that it can continue to share results with its Shareholders.

### HANDLING CHARGES TO BROKERS OR BANKS

The Company understands that those Shareholders who have relatively low shareholding in the Company may encounter certain technical difficulty, for example, the 2011 Interim Dividend and the value of Bonus Shares they are going to receive may be unable to cover the handling charges to the brokers or banks. As trading in shares of the Company has been suspending for more than six years, the Company hereby calls on brokers or banks to waive the handling charges in respect of the Scrip Dividend Scheme and the Bonus Issue. For enquiry or any special arrangement, please contact the following company:

**Company:** Ever-Long Securities Company Limited

**Address:** 18/F, Dah Sing Life Building, 99–105 Des Voeux Road Central, Hong Kong

**Contact persons:**

<b>Name</b>	<b>Telephone</b>	<b>Facsimile</b>	<b>Email</b>
Ms. Yeung	2815 3625	2581 0638	els@everlong.com.hk
Mr. Yu	2850 7107	2581 0638	els@everlong.com.hk
Mr. Ng	2815 3522	2581 0638	els@everlong.com.hk

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

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, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### RE-ELECTION OF DIRECTORS

According to Bye-law 102(B), any Director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Thus, Mr. Ng Yiu Chuen (“Mr. Ng”) and Ms. Ho Mei Sheung (“Ms. Ho”) should be re-elected at the SGM following their appointments with effect from 5 December 2010. Particulars of Mr. Ng and Ms. Ho who are proposed to be re-elected at the SGM are set out as follows:

#### **Mr. Ng’s particulars:**

Mr. Ng, aged 51, obtained a Bachelor’s degree in Business Administration with City University of Hong Kong in 2009 and being elected as Associate of Hong Kong Institute of Bankers in 2002.

Mr. Ng, has over 31 years of experience in asset management and financing business. In the past 18 years, he had assumed senior executive management roles and he was responsible for overseeing finance division and managing portfolios of liquid assets for certain well-known companies such as GE Capital (Hong Kong) Limited and American Express Bank Limited.

Mr. Ng joined the Group as Associate Director on 15 November 2010. Mr. Ng did not hold directorship in any other listed public companies in the last three years and does not hold any other position in the Group. Pursuant to his letter of appointment entered into with the Company, subject to compliance with relevant requirements under the Listing Rules, Mr. Ng’s appointment shall continue unless it is terminated by not less than three months’ notice in writing served by either party and Mr. Ng is subject to retirement by rotation and re-election at the general meeting of the Company pursuant to the Bye-laws of the Company.

Mr. Ng shall be entitled to a fixed director’s emoluments of HK\$52,000 per month which is determined by the Board with reference to his experience, duties and responsibilities.

Mr. Ng does not have any relationship with any directors, senior management or substantial shareholders or controlling shareholders (as respectively defined under the Listing Rules) of the Company. Further, Mr. Ng does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong (the “SFO”).



## LETTER FROM THE BOARD

Save as disclosed above, there are no other matters concerning the appointment of Mr. Ng that needs to be brought to the attention of the shareholders of the Company or any information relating to Mr. Ng's appointment that requires disclosure pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

### **Ms. Ho's particulars:**

Ms. Ho, aged 45, obtained a Bachelor's degree in Business with Monash University in 2005 and a Master's degree in Christian Studies (Counselling) Degree with China Graduate School of Theology in 2009.

Ms. Ho has extensive experience in accounting, taxation and internal controls system. She is a member of the Association of International Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Ho joined the Group as Chief Financial Controller on 1 September 2010. Before joining the Company, Ms. Ho has over 14 years of experience in supervising the accounts and finance department of various listed companies in Hong Kong.

Ms. Ho did not hold directorship in any other listed public companies in the last three years and does not hold any other position in the Group. Pursuant to her letter of appointment entered into with the Company, subject to compliance with relevant requirements under the Listing Rules, Ms. Ho's appointment shall continue unless it is terminated by not less than three months' notice in writing served by either party and Ms. Ho is subject to retirement by rotation and re-election at the general meeting of the Company pursuant to the Bye-laws of the Company.

Ms. Ho shall be entitled to a fixed director's emoluments of HK\$48,000 per month which is determined by the Board with reference to her experience, duties and responsibilities.

Ms. Ho does not have any relationship with any directors, senior management or substantial shareholders or controlling shareholders (as respectively defined under the Listing Rules) of the Company. Further, Ms. Ho does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning the appointment of Ms. Ho that needs to be brought to the attention of the shareholders of the Company or any information relating to Ms. Ho's appointment which is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules.

### **RECOMMENDATION**

The Directors consider that the Scrip Dividend Scheme, the proposal for Bonus Issue and the proposed re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM.

## LETTER FROM THE BOARD

Whether or not it is to your advantage to receive the Scrip Shares and/or the Bonus Shares, in whole or in part, depends upon your own individual circumstances. The decision in this regard and all consequences resulting therefrom are the sole responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your own professional adviser. This applies particularly to members who are trustees, who are recommended to seek professional advice as to whether they have the power to make any relevant election and as to the effect of the election having regard to the terms of the relevant trust instrument.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the public at the principal place of business in Hong Kong at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong from 9 a.m. to 6 p.m. on any weekday other than public holidays, Saturdays and Sundays from the date of this circular up to and including the date of SGM:

- (a) the memorandum of association and the Bye-laws of the Company; and
- (b) the annual reports of the Group for the two financial years ended 31 March 2010.

Yours faithfully  
For an on behalf of the Board  
**Styland Holdings Limited**  
**Zhao Qingji**  
*Chairman*

## NOTICE OF SGM



### STYLAND HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 211)**

#### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY** that a special general meeting (“**SGM**”) of Styland Holdings Limited (the “**Company**”) will be held at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Friday, 15 April 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. **“THAT** (i) the 2011 Interim Dividend (as defined in the circular of the Company dated 28 March 2011) of HK0.05 cent per Share for the six months ended 30 September 2010, be and is hereby approved, and (ii) conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares (as defined in paragraph (a) of this resolution) and the resumption in trading in the shares of the Company (the “**Shares**”), the following be and is hereby approved:
  - (a) the 2011 Interim Dividend with a scrip alternative to offer the right to the shareholders of the Company (the “**Shareholders**”) to elect to receive such interim dividend wholly or partly in the form of an allotment and issue of Shares at the price of HK0.05 cent per Share credited as fully paid up in lieu of such cash dividend (“**Scrip Dividend Scheme**”) if so elected by the Shareholders who are entitled to participate in the Scrip Dividend Scheme;
  - (b) scrip shares of the Company pursuant to the Scrip Dividend Scheme (“**Scrip Shares**”) be allotted, issued and distributed, credited as fully paid, to the members of the Company whose names appear on the register of members of the Company on 31 December 2010 (the “**Record Date**”), other than those members (the “**Prohibited Shareholders**”) whose addresses as shown on the principal or branch register of members of the Company in Hong Kong (the “**Register of Members**”) as at the close of business on the Record Date are in places outside Hong Kong and in respect of whom the Directors consider the exclusion from the Scrip Dividend Scheme to be necessary or expedient in accordance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the memorandum of association and the bye-laws of the Company (the “**Bye-laws**”);

## NOTICE OF SGM

- (c) the Scrip Shares to be issued pursuant to this resolution shall, subject to the memorandum of association of the Company and Bye-laws, rank *pari passu* in all respects with the existing issued Shares of HK\$0.01 each in the capital of the Company, except that they will not be eligible for the Scrip Dividend Scheme mentioned in this resolution and the interim dividend for the year ended 30 September 2010, if any; and
  - (d) the directors of the Company (the “**Directors**”) be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of the Scrip Shares.”
2. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution) and the resumption in trading in the Shares the following be and is hereby approved:
- (a) upon the recommendation of the Directors, an amount of HK\$935,594 standing to the credit of the share premium account of the Company be capitalized and the Directors be and are hereby authorized to apply such amount in paying up in full at par 93,559,433 new Shares of HK\$0.01 each in the capital of the Company (“**Bonus Shares**”), and the Directors be authorized to allot, issue and distribute the Bonus Shares which are credited as fully paid, to the members of the Company whose names appear on the Register of Members as at the close of business on the Record Date, other than the Prohibited Shareholders in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Listing Rules and the memorandum of association and Bye-laws of the Company, on the basis of 1 Bonus Share for every 20 existing Shares of HK\$0.01 each in the capital of the Company then held by them respectively (“**Bonus Issue**”), and the Directors be authorized to settle, as they consider appropriate, any difficulty in regard to any distribution of the Bonus Shares;
  - (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum of association and Bye-laws of the Company and, rank *pari passu* in all respects with the existing issued Shares of HK\$0.01 each in the capital of the Company, except that they will not be eligible for the Bonus Issue of Shares mentioned in this resolution and the interim dividend for the six months 30 September 2010, if any;
  - (c) the Directors be and hereby authorized to arrange for any fractional entitlements arising from the Bonus Issue (if any) to be aggregated and issued to a nominee to be named by the Directors and sold for the benefit of the Company; and
  - (d) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

## NOTICE OF SGM

3. “**THAT**

- (a) Mr. Ng Yiu Chuen be re-elected as executive Director;
- (b) Ms. Ho Mei Sheung be re-elected as executive Director; and
- (c) the board of Directors be and is hereby authorised to fix the Directors’ remuneration.”

Yours faithfully  
For an on behalf of the Board  
**Styland Holdings Limited**  
**Wang Chin Mong**  
*Company Secretary*

Hong Kong, 28 March 2011

*Registered office:*

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

*Notes:*

1. A member of the Company entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to, vote in his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed herewith. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof, as the case may be. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. Where there are joint registered holders of any share, any one of such persons may vote at the SGM, either in person or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders are present at the SGM in person or by proxy, that one of the said persons so present whose name stands first on the register of member of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. The voting on the resolution at the SGM will be conducted by way of a poll.