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

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

**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(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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## **STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 211)

### **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF SHAREHOLDING INTEREST IN CITY FAITH INVESTMENTS LIMITED**

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A notice convening the special general meeting of the Company to be held at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Friday, 18 December 2009 at 11:00 a.m. is set out on pages 24 to 25 of this circular. A form of proxy for use by the Shareholders at the special general meeting of the Company (or any adjourned meeting thereof) is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)) and the Company ([www.irasia.com/listco/hk/styland](http://www.irasia.com/listco/hk/styland)).

Whether or not you are able to attend the special general meeting in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the special general meeting (or any adjourned meeting thereof). Completion and return of the proxy form will not preclude you from attending and voting at the special general meeting or any adjournment thereof should you so wish.

23 November 2009

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## DEFINITIONS

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

“Announcement”	the announcement issued by the Company dated 4 November 2009 in relation to the Disposal
“associates”	has the meaning ascribed to it under the Listing Rules
“Bank Loan”	the outstanding bank loan pertaining to the Properties of HK\$4.068 million as at the Latest Practicable Date
“Board”	the board of Directors
“Business Day(s)”	a day on which banks are open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“BVI”	the British Virgin Islands
“City Faith”	City Faith Investments Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor as at the Latest Practicable Date
“City Faith Group”	City Faith and City Lion
“City Lion”	City Lion Worldwide Limited, a company incorporated in the BVI with limited liability and is wholly-owned by City Faith as at the Latest Practicable Date
“Company”	Styland Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	29 January 2010 or such other date as the Vendor and the Purchaser may agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of HK\$25 million, being the aggregate consideration payable by the Purchaser to the Vendor for the Sale Shares and the Sale Loan
“Deposit”	HK\$2.5 million, being deposit and in part payment of the Consideration, which shall be paid to the Vendor upon signing the Sale and Purchase Agreement

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party which is not a connected person of the Company and is independent of the Company and its connected person(s)
“Latest Practicable Date”	20 November 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the 7th Business Day prior to the Completion Date (or such other date as the Vendor and the Purchaser may agree)
“PRC”	The People’s Republic of China
“Properties”	Flat A on 3rd Floor, Roof A and Car Parking Space Nos. 6, 7 and 8, Daisyfield No. 4135 Tai Po Road, New Territories, Hong Kong
“Purchaser”	Ms. Mai Xueqing
“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 October 2009 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Loan”	the entire amount of the shareholder’s loan due from the City Faith Group to the Vendor as at Completion
“Sale Shares”	all issued shares of City Faith
“SFC”	Securities and Futures Commission
“SFO”	The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal

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## DEFINITIONS

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“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Vendor”	Thunderbolt Property Corp., a company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Vendor’s Warranties”	the warranties and representations given by the Vendor as set out in the Sale and Purchase Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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## LETTER FROM THE BOARD

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### STYLAND HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 211)

*Executive Directors:*

Mr. Cheung Hoo Win (*Chief Executive Officer*)  
Ms. Yeung Han Yi Yvonne  
Ms. Chan Chi Mei Miranda  
Ms. Zhang Yuyan  
Ms. Chen Lili

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Independent non-executive Directors:*

Mr. Zhao Qingji (*Chairman*)  
Mr. Yeung Shun Kee Edward  
Mr. Li Hancheng  
Mr. Lo Tsz Fung Philip

*Principal place of business:*

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

23 November 2009

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF SHAREHOLDING INTEREST IN CITY FAITH INVESTMENTS LIMITED

#### INTRODUCTION

Reference is made to the Announcement whereby the Company announced that on 27 October 2009, the Company, through its wholly-owned subsidiary, the Vendor, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase (a) the Sale Shares, representing the entire issued share capital of City Faith; and (b) the rights of and benefits in the Sale Loan for an aggregate cash consideration of HK\$25 million.

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM under Rule 14.40 of the Listing Rules. As no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the Disposal at the SGM.

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## LETTER FROM THE BOARD

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The purpose of this circular is (a) to provide you with further information on the Disposal, the relevant financial information of the Group and a valuation report on the Properties; and (b) to give you a notice of the SGM at which resolution(s) will be proposed to consider and if thought fit, approve the Disposal and the transactions contemplated thereunder.

### THE SALE AND PURCHASE AGREEMENT

**Date:**

27 October 2009

**Parties:**

**Vendor** : Thunderbolt Property Corp., a wholly-owned subsidiary of the Company

**Purchaser** : Mai Xueqing, a citizen of the PRC and an Independent Third Party, who is an investor in stocks and properties

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser is an independent third party who is independent of and not connected with the Company and any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. The Group has not been involved in any previous transaction with the Purchaser in the previous 12 months which would otherwise require aggregation with the Disposal pursuant to Rule 14.22 of the Listing Rules.

**Assets being disposed of:**

- (a) the Sale Shares, representing the entire issued share capital of City Faith; and
- (b) the rights of and benefits in the Sale Loan, being the shareholder's loan owing by the City Faith Group to the Vendor as at the Completion Date, which is estimated to be approximately HK\$9.26 million.

As at the date of the Sale and Purchase Agreement, the City Faith Group owed to the Vendor the shareholder's loan. The Vendor is disposing of its entire interest in City Faith to the Purchaser and the Sale Loan is therefore assigned to the Purchaser at the time of disposal of the Sale Shares.

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## LETTER FROM THE BOARD

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### **Cash Consideration:**

HK\$25 million in cash in aggregate for the Sale Shares and the Sale Loan, which shall be payable in cash in the following manners:

- (a) HK\$2.5 million, being deposit and in part payment of the Consideration, shall be paid to the Vendor upon signing the Sale and Purchase Agreement; and
- (b) HK\$22.5 million, being the remaining part of the Consideration, shall be paid to the Vendor on Completion.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser having regard to (a) the prevailing market value of the Properties at the time of execution of the Sale and Purchase Agreement; (b) the valuation of the Properties of HK\$22 million as at 31 March 2009 as valued by an independent property valuer using the comparison method where comparison based on prices realized or market prices of comparable property is made (which was used, together with the prevailing market value of the Properties, as a reference in determining the value of the Properties); and (c) the financial position of the City Faith Group as at 31 March 2009. The Board considers the Consideration to be fair and reasonable.

As at the Latest Practicable Date, the Vendor has already received the Deposit from the Purchaser.

### **Refund and forfeiture:**

The Vendor shall refund the Deposit to the Purchaser forthwith upon demand in the event that (a) condition precedent (a) (as detailed below under the heading entitled "Conditions precedent") has not been fulfilled on or before the Long Stop Date; or (b) Completion fails to occur on or before the Completion Date as a result of the default of the Vendor (including but not limited to any breach of the Vendor's Warranties or any of the Vendor's obligations under the Sale and Purchase Agreement).

In the event that Completion fails to occur for any reason other than those set out above, the entire Deposit shall be forfeited by the Vendor as agreed damages provided that nothing contained in the Sale and Purchase Agreement shall in any manner prejudice the Vendor's or the Purchaser's rights to claim damages for loss and damage suffered as a result of the other party's default under the Sale and Purchase Agreement.

### **Conditions precedent:**

Completion of the Sale and Purchase Agreement is conditional in all respects upon:

- (a) the approval of Shareholders at the SGM approving the Sale and Purchase Agreement and the transactions contemplated therein;
- (b) in relation to the transactions contemplated in the Sale and Purchase Agreement, all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong), having been complied with and satisfied;

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## LETTER FROM THE BOARD

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- (c) the warranties stated in the Sale and Purchase Agreement having remained true and accurate in all material respects;
- (d) good title of the Properties be proven pursuant to section 13 of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and
- (e) vacant possession of the Properties must be verified and delivered upon Completion.

If the above conditions precedent have not been fulfilled by the Vendor or waived by the Purchaser in writing (except conditions precedent (a) and (b) above) at or before 12:00 noon on the Long Stop Date (or such later date as the Vendor and the Purchaser may agree), the Sale and Purchase Agreement shall lapse, whereupon all rights and obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement shall cease to have effect and any Deposit paid shall be dealt with in accordance with the manner described above under the heading entitled "Refund and forfeiture".

### **Completion:**

Subject to the above conditions precedent having been satisfied (or waived by the Purchaser), Completion shall take place on the Completion Date or at such other time and date as may be agreed by the Vendor and the Purchaser.

### **INFORMATION ON CITY FAITH, CITY LION AND THE PROPERTIES**

#### **City Faith:**

City Faith is a company incorporated in Hong Kong on 15 August 2001. It is an investment holding company and an indirect wholly-owned subsidiary of the Company. It is the legal and beneficial owner of (a) the entire issued share capital in City Lion; and (b) the Properties. City Faith has no business operation other than its holding of equity interests in City Lion and the Properties.

#### **City Lion:**

City Lion was principally engaged in the business of securities trading for the past two years ended 31 March 2008 and 31 March 2009. However, since April 2009, City Lion no longer carried on any business and became a dormant company since then.

#### **The Properties:**

The original price paid by City Faith to acquire the Properties in June 2002 was HK\$13 million. The Properties had been treated as investment properties in the accounts of City Faith and the Group in view of the underlying intention to hold the Properties for rental income. As at 31 March 2009, the Properties had a net book value of HK\$22 million.

For the years ended 31 March 2008 and 31 March 2009 and up to the date of the Sale and Purchase Agreement, the Properties remain vacant and were held for disposal.

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## LETTER FROM THE BOARD

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### Financial information of the City Faith Group:

The following table sets out the summarized financial information of the City Faith Group for the years ended 31 March 2008 and 31 March 2009 and for the period ended 30 September 2009:

	<i>HK\$'000</i>
Profit/(loss) before tax	
– year ended 31 March 2008	12,996
– year ended 31 March 2009	(8,598)
Profit/(loss) after tax	
– year ended 31 March 2008	11,701
– year ended 31 March 2009	(8,598)
Net asset value	
– as at 31 March 2008	17,363
– as at 31 March 2009	8,761
– as at 30 September 2009	8,628

The above financial information has been prepared by the Group in accordance with the Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

### FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Group will cease to hold any equity interest in City Faith and the City Faith Group will cease to be subsidiaries of the Company. Accordingly, based on the unaudited management accounts of the City Faith Group as at 30 September 2009, it is expected that the total assets and the total liabilities of the Group will be reduced as a result of the Disposal.

As a result of the Disposal, the Group is expected to record a gain of approximately HK\$2.3 million (after deducting related expenses payable by the Group) which is calculated with reference to the Consideration, the unaudited net asset value of the City Faith Group, the Bank Loan to be repaid and the amount of the Sale Loan as at Completion.

### REASON AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS

The Company is an investment holding company of which its subsidiaries are principally engaged in (a) investment holdings; (b) securities dealing and brokerage; (c) financing; (d) trading of securities; (e) general import and export trading; and (f) property development and investment.

The Directors, having considered the revitalizing property market condition and the Consideration for the Properties offered by the Purchaser, believe that it is an opportune time to dispose of the Properties on favourable terms. The Directors consider that the Disposal would represent a good opportunity for the Group to realize its investment in the Properties at an attractive return.

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## LETTER FROM THE BOARD

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Regarding the disposal of City Lion, since it was a subsidiary of City Faith on the date of the transaction and it has become dormant since April 2009, City Lion was also being disposed of at the time of the Disposal.

Based on the Consideration and the associated estimated cost of the Disposal, the estimated net proceeds, after repayment of the Bank Loan and expenses, from the Disposal is approximately HK\$20 million. The Group intends to retain the net proceeds deriving from the Disposal for (a) future business development and acquisitions, if any; and (b) general working capital of the Group.

The terms of the Disposal have been determined based on arm's length negotiation between the Vendor and the Purchaser having regard to (a) the prevailing market value of the Properties; (b) the valuation of the Properties; and (c) the financial position of the City Faith Group. The Directors consider that the Disposal is in the interests of the Company and the Shareholders as a whole and that the terms of the Disposal are fair and reasonable and on normal commercial terms.

### RECONCILIATION OF PROPERTY VALUATION ON THE PROPERTIES WITH THEIR CARRYING VALUES

The reconciliation between the property valuation as at 31 October 2009 of the Properties with the net book value as at 31 March 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up, is as follows:

	<i>HK\$'000</i>
Net book value as at 31 March 2009	22,000
Valuation surplus	1,000
	<hr/>
Property valuation as at 31 October 2009 ( <i>Note</i> )	23,000
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*Note:* The property valuation as at 31 October 2009 of the Properties is set out in Appendix II to this circular.

### LISTING RULES IMPLICATION

The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM under Rule 14.40 of the Listing Rules. As no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the Disposal at the SGM.

### SGM

There is set out on pages 24 to 25 of this circular 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, 18 December 2009 at 11:00 a.m. at which an ordinary resolution will be proposed for the approval by the Shareholders of the Disposal. The votes to be taken at the SGM in respect of the ordinary resolution to approve the Disposal will be taken by poll and the results of which will be announced after the SGM.

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## LETTER FROM THE BOARD

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Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the principal place of business of the Company in Hong Kong at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. The completion of the enclosed proxy form will not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the notice convening the SGM.

Yours faithfully,  
For and on behalf of  
**Styland Holdings Limited**  
**Zhao Qingji**  
*Chairman*

**1. FINANCIAL AND TRADING PROSPECT**

The Group is cautiously optimistic about the business outlooks for the rest of 2009 as the management believes that systemic collapse no longer seems likely as the global markets have stabilized.

In light of the cash level for the period ended 30 September 2009 and the net proceeds of HK\$20 million arising from the Disposal, the Group will continue to seek investment opportunity in the mainland market to make good use of the Group's working capital to sustain the business growth.

Going forward, the Group is of the view that the recovery of stock market and property market is supported by the low interest rates, and the Group's business will take advantage of the positive factors. Nevertheless, the Group will continue to prudently manage its cost structure and strengthen its operation control.

**2. WORKING CAPITAL**

The Directors, are of the opinion that, after taking into account its internal resource, the existing available credit facilities of the Group and the net proceeds from the Disposal, the Group has sufficient working capital for its present requirements, for at least the next twelve months from the date of this circular.

**3. INDEBTEDNESS STATEMENT**

At the close of business on 31 October 2009, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had secured bank borrowings and obligations under finance leases of approximately HK\$12,726,000 and HK\$302,000 respectively.

**Pledge of assets**

At the close of business on 31 October 2009, investment properties of approximately HK\$78,000,000 and bank deposit of approximately HK\$5,000,000 were pledged to secure the bank borrowings of the Group.

**Commitment**

At the close of business on 31 October 2009, the Group had total future minimum lease payments under non-cancelable operating leases in respect of rented premises amounting to approximately HK\$1,443,000.

**Contingent liabilities**

At the close of business on 31 October 2009, the Group had certain outstanding litigations, the details of which are set out in pages 20 to 22 of this circular.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 October 2009.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payable, as at the close of business on 31 October 2009, the Group did not have any outstanding loan capital issued or agreed to be issued, bank borrowings and overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance lease or hire purchases commitments, guarantees or other material contingent liabilities.

#### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2009, the date to which the latest published audited consolidated financial statements of the Group were made up.

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 October 2009 of the Properties.*



**Asset Appraisal Limited**  
**資產評估顧問有限公司**

Rm 802 8/F On Hong Commercial Building  
No. 145 Hennessy Road Wanchai HK  
香港灣仔軒尼詩道145號安康商業大廈8樓802室  
Tel: (852) 2529 9448 Fax: (852) 3521 9591

23 November 2009

**The Board of Directors**

**Styland Holdings Limited**

28/F, Aitken Vansion Centre

No. 61 Hoi Yuen Road

Kwun Tong

Kowloon

Hong Kong

Dear Sirs,

**Flat A on 3rd Floor, Roof A and  
Car Parking Space Nos. 6, 7 and 8  
Daisyfield, No. 4135 Tai Po Road  
New Territories, Hong Kong**

In accordance with the instructions from **Styland Holdings Limited** (the “Company”) to value the captioned property (the “Properties”), we confirm that we have inspected the Properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at **31 October 2009** (the “date of valuation”).

**BASIS OF VALUATION**

Our valuation of the Properties represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

**TITLESHIP**

We have caused searches to be made at the appropriate Land Registry for the Properties. However, we have not verified ownership of the Properties or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

According to the Land Registry records, the registered owner of the Properties is City Faith Investments Limited, a wholly-owned subsidiary of the Company.

**VALUATION METHODOLOGY**

We have valued the Properties by the comparison method where comparison based on prices realised or market prices of comparable property is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

**ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the Properties on the market without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the values of the Properties.

As the Properties are held by the owners by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Properties for the whole of the unexpired term of its Government Leases.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

**LIMITING CONDITIONS**

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, tenancy and all other relevant matters.

We have inspected the exterior and, where possible, the interior of the buildings and structures of the Properties. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Properties, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1st January 2005.

Our valuation certificate is attached herewith.

Yours faithfully,

for and on behalf of

**Asset Appraisal Limited**

**TSE Wai Leung**

*MFin BSc MRICS MHKIS RPS(GP)*

*Director*

*Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors (RICS), the Hong Kong Institute of Surveyors (RICS), and a Registered Professional Surveyor in General Practice. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Forum and has over 14 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.*

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 31 October 2009 HK\$
Flat A on 3rd Floor, Roof A and Car Parking Space Nos. 6, 7 and 8, Daisyfield, No. 4135 Tai Po Road, New Territories.  38/200th share of the Remaining Portion of Tai Po Inland Lot No. 10 and the extension thereto.	<p>The Properties comprise one resident unit on 3rd floor, a top roof and three car parking spaces of a 4-storey private residential building of reinforced concrete construction completed in 1996.</p> <p>The gross floor area and saleable area of Flat A of the properties are approximately 2,870 square feet and 2,327 square feet respectively. The area of the top roof of the properties is approximately 2,349 square feet.</p> <p>The Properties are held under a Government Lease for a term of 75 years renewable for 24 years commencing on 1 July 1898. The Government Lease has been statutorily extended without premium until 30 June 2047 and that a rent of three percent of the rateable value of the Properties is charged from the date of extension.</p>	<p>As confirmed by the Company, the Properties are currently vacant.</p>	23,000,000

*Notes:*

1. The registered owner of the Properties is City Faith Investments Limited, a wholly-owned subsidiary of the Company, registered vide memorial no. UB8722946 dated 14 June 2002.
2. The Properties are subject to mortgage in favour of Bank of China (Hong Kong) Limited registered vide memorial no. 05060400380039 dated 12 May 2005.
3. The Properties are falling within a town planning area being zoned "Residential (Group C)" under the Outline Zoning Plan No. S/TP/21 dated 13 January 2009.

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

## 2. DISCLOSURE OF INTERESTS

### (a) Directors and Chief Executive

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name of Director	Number of ordinary shares of HK\$0.01 each held and nature of interest			Total	Shareholding percentage
	Family interests	Personal interests	Interests in controlled corporation		
Ms. Yeung Han Yi Yvonne ("Ms. Yeung") (Note)	369,995,967	30,000,000	–	399,995,967	21.38%
Ms. Chan Chi Mei Miranda	–	39,288	–	39,288	0.00%

*Note:*

Mr. Cheung Chi Shing Kenneth ("Mr. Cheung") personally holds 299,995,967 Shares. As Mr. Cheung is the sole shareholder of K. Y. Limited ("KY"), he is deemed to have interests in 60,000,000 Shares held by KY and Mr. Cheung was further deemed to be interested in 10,000,000 Shares held by K. C. (Investment) Limited ("KC"), a wholly-owned subsidiary of KY.

Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 Shares that Mr. Cheung is beneficially interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to

section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 March 2009 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by or lease to the Company or any of its subsidiaries.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has any service contracts with the Company or any of its subsidiaries which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

As at the Latest Practicable Date, none of the Directors or their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**(b) Substantial Shareholders and other persons**

So far as was known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholders	Number of ordinary shares of HK\$0.01 each held and nature of interest			Total	Shareholding percentage
	Family interests	Personal interests	Interests in controlled corporation		
Mr. Cheung (Note 1)	30,000,000	299,995,967	70,000,000	399,995,967	21.38%
Ms. Yeung (Note 2)	369,995,967	30,000,000	–	399,995,967	21.38%
Mr. Rajkumar M Daswani (Note 3)	–	112,411,667	–	112,411,667	6.01%
Gloryrise Group Limited (Note 4)	–	370,000,000	–	370,000,000	19.77%
Tai Kwok Leung, Alexander (Note 4)	–	–	370,000,000	370,000,000	19.77%

*Notes:*

1. Mr. Cheung personally holds 299,995,967 Shares. As Mr. Cheung is the sole shareholder of KY, he is deemed to have interests in 60,000,000 Shares held by KY and Mr. Cheung was further deemed to be interested in 10,000,000 Shares held by KC, a wholly-owned subsidiary of KY. Mr. Cheung is the spouse of Ms. Yeung and accordingly deemed to be interested in the 30,000,000 Shares beneficially interested by Ms. Yeung.
2. Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 369,995,967 Shares beneficially interested by Mr. Cheung.
3. 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 SFO. On 7 December 2004, the Company wrote to Mr. Rajkumar M Daswani regarding his shareholding in the Company and received a letter dated 13 December 2004 from Mr. Rajkumar M Daswani saying that he and Shalini R Daswani in joint account held 114,731,667 Shares as at 30 September 2004. As at the Latest Practicable Date, the Company has not received valid notification pursuant to the SFO from Shalini R Daswani.
4. The Company had entered into an option agreement (the “**Option Agreement**”) with Gloryrise Group Limited (“**Gloryrise**”) on 7 June 2007, pursuant to which Gloryrise conditionally agreed to subscribe and the Company conditionally agreed to grant options which, upon full exercise, would entitle the holder of the options to require the Company to allot and issue up to 370,000,000 Shares at the subscription price of HK\$8,880,000 in total (equivalent to HK\$0.024 per Share). Gloryrise is hence interested in the 370,000,000 underlying Shares that may fall to be issued under the Option Agreement.

The latest time for the fulfillment of the conditions precedent of the Option Agreement had been extended to 31 December 2009. As at the Latest Practicable Date, the conditions precedent to the Option Agreement had not been fulfilled.

Mr. Tai Kwok Leung, Alexander beneficially owns the entire issued share capital of Gloryrise, and is therefore deemed to be interested in the 370,000,000 underlying Shares that may fall to be issued under the Option Agreement.

5. On 20 August 2002, Mr. Lin Wen (林文先生) (“**Mr. Lin**”) and Mr. Sun Jinlin (孫進林先生) (“**Mr. Sun**”) notified the Company that they respectively held 165,050,000 and 150,800,000 Shares. To ensure the accuracy of its register of members, the Company wrote to Mr. Lin and Mr. Sun to enquire into their then shareholdings in the Company on 14 June 2004. On 13 December 2004, the Company received a letter from Mr. Lin, claiming that he held approximately 5 million Shares, which was substantially different from the record of Mr. Lin’s interests available from the website of the Stock Exchange and the Company. The Company could not reach Mr. Lin and Mr. Sun, though it had repeatedly tried to seek valid notification under the SFO from them. As at the Latest Practicable Date, the Company has not received any further response from Mr. Lin or Mr. Sun.

Furthermore, as at the Latest Practicable Date, Ms. Wan Qinghua and Ms. Lai Kai Yin held 50,000 shares and 21,633 shares of HK\$1.00 each in Sheng Da Investment Holding (Hong Kong) Limited (“**Sheng Da (HK)**”) (a non-wholly owned subsidiary of the Company) respectively, representing approximately 24.5% and 10.6% of the issued share capital of Sheng Da (HK) respectively.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, no persons (not being a Director or chief executive of the Company) had any interest in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

### 3. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Group within the two years preceding the date of this circular, a brief summary of which is set out below:

#### (a) New Shares (under special mandate)

The Company as issuer had entered into several subscriptions agreements with eight subscribers on 15 November 2007 for the issue and allotment of 600,000,000 Shares to the said subscribers. Five of the said subscribers had subsequently withdrawn their agreements to subscribe for the Shares. Completion of the issue and subscription of the Shares as aforesaid relating to the remaining three subscribers is yet to take place as at the Latest Practicable Date.

Please refer to the announcements of the Company dated 19 November 2007, 17 January 2008, 22 April 2008, 16 July 2008, 2 January 2009, 1 April 2009 and 5 October 2009 respectively, and the circular of the Company dated 28 November 2007 for further details of the aforesaid subscription of the Shares.

#### (b) New Shares (under general mandate)

The Company as issuer had entered into a subscription agreement with Mr. Chen Rong Lei as subscriber on 21 February 2008 for the issue and allotment of 120,000,000 Shares to the said subscriber. Since the conditions precedent as regards the resumption of trading of the Shares on the Stock Exchange and the approval by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares could not be fulfilled by the long stop date under the said subscription agreement, the said subscription agreement had subsequently been cancelled.

Please refer to the announcements of the Company dated 25 February 2008 and 22 April 2008 for further details of the aforesaid subscription of the Shares.

#### (c) The Sale and Purchase Agreement

### 4. LITIGATIONS

#### (a) Lawsuit in respect of Hainan Wanzhong Shiye Touzi Co., Ltd. (海南萬眾實業投資有限公司) (“Hainan Wanzhong”)

In June 2003, Hainan Wanzhong urged the Haikou Intermediate People’s Court of Hainan Province (海南省海口市中级人民法院) (the “**Haikou Intermediate People’s Court**”) to issue a Notice for Assistance in Execution (協助執行通知書) to Wuhan Dongseng Highway Building Development Co. Limited to retain an amount of RMB19,270,000 to be distributed to Sheng Da (HK) (the “**Lawsuit**”).

In October 2006, the Court dismissed the claims from Hainan Wanzhong and Sheng Da (HK) had recovered the retained money of RMB19,270,000.

On 16 March 2007, Sheng Da (HK) received a copy of a notice which was published on a PRC newspaper and became aware that Hainan Wanzhong had filed its appeal against the judgement of the Haikou Intermediate People's Court and the hearings were scheduled on 10 and 17 May 2007 respectively. In June 2007, Sheng Da (HK) was informed by its shareholders Ms. Li Kai Yin (李繼賢女士), Ms. Wan Qinghua (萬慶華女士) and Mr. Huang Zhaohua (黃招華先生) (collectively "**Li, Wan & Huang**") that the Haikou Intermediate People's Court had issued a Notice for Assistance in Execution on 6 June 2007 to Wuhan Transport Development Co., Ltd. ("**Wuhan Transport**"), the Chinese JV partner of Sheng Da (HK) in Wuhan Dongseng, requesting for retaining an amount of RMB19,270,000 from the payment of equity transfer amount to Sheng Da (HK) until the dispute is resolved.

In June 2008, Sheng Da (HK) was informed by Wuhan Transport that it had received a Notice for Assistance in Execution accompanied by a letter from Haikou Intermediate People's Court, pursuant to which Wuhan Transport was requested to execute the judgement and transfer RMB27,234,582 to the accounts of the Haikou Intermediate People's Court.

In February 2009, Sheng Da (HK) received from one of its shareholders the judgement of the PRC Supreme Court, pursuant to which the PRC Supreme Court accepted Sheng Da (HK)'s application for appeal.

Pursuant to a shareholders' resolution of Sheng Da (HK) passed in 2003 (reference no. for the shareholders' resolution: HKSDSM2003002), Li, Wan & Huang undertook that they would bear the liabilities and legal costs arising from the Lawsuit (the "**Undertaking**"). Subsequently, Sheng Da (HK) received, in several time, letters from Li, Wan & Huang, who intended to revoke the Undertaking.

The Directors are of the opinion that the Group is not liable for any debt arising from the Lawsuit and the claim from Hainan Wanzhong is groundless. The Directors consider that the Lawsuit does not have a material impact on the Group and no provision has therefore been made as at the Latest Practicable Date.

The Directors consider that it is unacceptable and without legal basis for Li, Wan & Huang to withdraw the Undertaking unilaterally. To preserve the interests of the Company and its shareholders as a whole, the Board concurred that the Company would not accept the withdrawal of the Undertaking by Li, Wan & Huang unilaterally, and will take legal action against Li, Wan & Huang for damages if the Company or Sheng Da (HK) sustains any loss from the Lawsuit.

**(b) Petition issued by the SFC**

As more fully detailed in the Company's announcement dated 11 September 2008 and a supplemental circular dated 9 April 2009, it has been disclosed that the Company, as one of the defendants, and certain of its current and former directors have been served a Petition by the SFC in relation to certain past transactions of the Group. The Petition was heard on 17 December 2008. The hearing will be restored after the submission of affirmations by the respondents. The Directors consider that the case does not have a significant financial and operating impact to the Group.

Save as aforesaid, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## **5. EXPERT AND CONSENT**

The following is the qualification of the expert or professional adviser who has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Asset Appraisal Limited	Professional valuers

Asset Appraisal Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they respectively appear.

Asset Appraisal Limited does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Asset Appraisal Limited does not have any direct or indirect interest in any assets which have been, since 31 March 2009 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

## **6. GENERAL**

- (a) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The principal place of business and office of the Company in Hong Kong is at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited, whose office is at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Mr. Wang Chin Mong, AHKSA, FCCA.
- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal place of business of the Company at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including 18 December 2009:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the contracts referred to in the section headed “Material Contracts” in this Appendix III;
- (c) the annual reports of the Company for each of the two years ended 31 March 2008 and 31 March 2009;
- (d) the property valuation report issued by Asset Appraisal Limited, the text of which is set out in Appendix II to this circular;
- (e) the written consent from Asset Appraisal Limited referred to in the section headed “Expert and Consent” in this Appendix III; and
- (f) a copy of each circular issued by the Company pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since 31 March 2009 (being the date to which the latest published audited accounts of the Company were made up to).

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## NOTICE OF SGM

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# STYLAND HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 211)

**NOTICE IS HEREBY GIVEN** that a special general meeting 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, 18 December 2009, at 11:00 a.m. to consider, and, if thought fit, pass the following resolution (with or without modifications) as ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT**

- (a) the sale and purchase agreement dated 27 October 2009 (the “**Sale and Purchase Agreement**”) (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked “A”) entered into between Thunderbolt Property Corp. (the “**Vendor**”), a wholly-owned subsidiary of the Company, as vendor, and Ms. Mai Xueqing (the “**Purchaser**”) as purchaser pursuant to which the Vendor agreed to dispose of the entire issued share capital of City Faith Investments Limited (“**City Faith**”) and all shareholder’s loans due by City Faith and its subsidiary to the Purchaser for a total consideration of HK\$25 million, and the transactions contemplated thereunder be and are hereby approved;
- (b) the entering into of the Sale and Purchase Agreement by the Vendor be and is hereby approved, confirmed and ratified; and
- (c) the directors of the Company be and are hereby authorised to do such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Sale and Purchase Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the Sale and Purchase Agreement and the implementation of all transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company.”

By order of the Board  
**Styland Holdings Limited**  
**Zhao Qingji**  
*Chairman*

Hong Kong, 23 November 2009

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## NOTICE OF SGM

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*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal place of business in Hong Kong:*

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 meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed with this circular.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's principal place of business in Hong Kong at 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.
4. As at the date of this notice, member of the board of directors of the Company consists of five executive directors, Mr. Cheung Hoo Win, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Ms. Zhang Yuyan and Ms. Chen Lili and four independent non-executive directors, Mr. Zhao Qingji, Mr. Yeung Shun Kee Edward, Mr. Li Hancheng and Mr. Lo Tsz Fung Philip.