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# STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 211)

## ANNOUNCEMENT

The Company is pleased to announce: the Group has just confirmed that one of its subsidiaries has received RMB75,000,000 from the JV partner in the National Highway 318, Sengdong Section in Wuhan, Hubai Province of China. The Group understands that the payment is relating to the arbitration of WAC. The money was directly deposited into the bank account of the subsidiary with The Industrial and Commercial Bank of China Wuhan Economic and Technology Development Zone Branch and was used to fully settle the loan with the bank.

It hereby thanks to the directors of the Group including Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda and Mr. Cheung Hoo Win for their roles and efforts to this affair. In particular, many thanks are offered to Mr. Cheung Chi Shing Kenneth for his contribution as he was several times taken down when he was engaged in this matter.

Reference is made to the announcements of Styland Holdings Limited (Styland Holdings Limited and its subsidiaries are collectively known as the "Group") dated 27 February 2004, 28 November 2006, 5 January 2007 and 30 April 2007 and its disclosure under the section headed "Management Discussion and Analysis" in annual reports for the years ended 31 March 2004, 2005 and 2006 (the "Disclosures").

• **On 22 August 2003**

Hainan Wanzhong Shiye Touzi Co., Ltd (海南萬眾實業投資有限公司) ("Hainan Wanzhong") unilaterally raised the dispute on the equity investment of Wuhan Shengda Fangdichan Kaifa Co., Ltd. (武漢盛達房地產開發有限公司) ("Wuhan Shengda Fangdichan"), and alleged that it might be having equity interests in the shares of Sheng Da Investment Holding (Hong Kong) Limited ("Shengda HK"), a subsidiary of the Group. Hainan Wanzhong therefore filed an unfriendly suit against Shengda HK through Haikou Intermediate People's Court ("Haikou Court") in Hainan Province. As a result, a sum of RMB19,270,000 in a subsidiary was retained.

• **On 26 December 2003**

As mentioned in the Disclosures, due to the unilateral relocation of toll station by the PRC partner in the joint venture ("JV Partner") in the National Highway 318, Sengdong Section in Wuhan, Hubai Province of China ("Toll Road"), the traffic flows and revenue of the highway decreased. The Group was then to approach the JV Partner and hope it to preserve the interests of the Group. However, as both parties had not been able to come to an agreed sum of the consideration for the transfer of the shareholding interests, the negotiation kept going on for years.

• **On 22 October 2004**

To preserve the interests of the shareholders, the directors of the Group decided to apply for arbitration through Wuhan Arbitration Commission ("WAC") in Hubai Province China for the matter in relation to the Toll Road.

• **On 18 April 2006**

The WAC arbitrated that the Group could transfer its interests in the Toll Road to JV Partner at a price of RMB157,298,300.

• **On 21 November 2006**

The Haikou Court ruled that Shengda HK had won the lawsuit against it and the Group recovered RMB17,000,000 out of the retained money RMB19,270,000.

• **On 15 December 2006**

Shengda HK confirmed that it had further recovered RMB2,270,000, the remaining balance of the retained money.

• **On 16 March 2007**

Shengda HK received a copy of notice which was published on a PRC newspaper and became aware that Hainan Wanzhong had filed its appeal against the order of Haikou Court.

• **On 29 May 2007**

The Group has just confirmed that one of its subsidiaries has received RMB75,000,000 from the JV partner in the National Highway 318, Sengdong Section in Wuhan, Hubai Province of China. The Group understands that the payment is relating to the arbitration of WAC. The money was directly deposited into the bank account of the subsidiary with The Industrial and Commercial Bank of China Wuhan Economic and Technology Development Zone Branch and was used to fully settle the loan with the bank. The directors of the Group will make efforts to put the arbitration report into execution and keep negotiating with the JV Partner, on constructive basis, to find out all possible resolutions which are helpful to the collection of the remaining balance. No sales and purchase agreement has been entered between the Group and the JV Partner. Further announcement will be made in due course.

The Group has a history of 30 years. Following the burst of technology investment bubble, the Group was still devoted to its business development. Thanks to efforts of the staff, the Group has, under such adverse conditions, managed to maintain the steady development. The Group also fulfilled its commitment to comply with the rules of The Stock Exchange of Hong Kong Limited. It hereby thanks to the directors of the Group including Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda and Mr. Cheung Hoo Win for their roles and efforts to this affair. In particular, many thanks are offered to Mr. Cheung Chi Shing Kenneth for his contribution as he was several times taken down when he was engaged in this matter.

By Order of the Board  
**STYLAND HOLDINGS LIMITED**  
**Lim Man San David**  
*Chairman*

Hong Kong, 30 May 2007

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

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