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STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

VERY SUBSTANTIAL DISPOSAL

On 10 February 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the Sale Shares and the assignment of the Shareholder's Loan of the Target Company at the total consideration of HK\$48 million to be paid to the Vendor partly by cash and partly by the Promissory Note issued by the Purchaser.

The Target Company is an investment holding company, which its principal and only significant asset consists of (i) 318 National Highway Sheng Dong Section located in Wuhan which has no revenue contribution since 2004; and (ii) 48.9% shareholding interest in Sheng Da Highway Management (Wuhan) Company Limited which has no revenue contribution since its incorporation.

The Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to the Shareholders' approval. A circular containing, among other things, further details of the Disposal together with a notice convening the SGM will be dispatched to the Shareholders as soon as possible.

STATUS OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 21 April 2004. Trading in the Shares will remain suspended until further notice.

THE AGREEMENT

Date

10 February 2010

Parties

Vendor: Simplex Inc., an investment holding company, is wholly-owned by the Company

Purchaser: Lucky Global Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the ultimate shareholder of Lucky Global Investments Limited is an Independent Third Party of the Company and its subsidiaries.

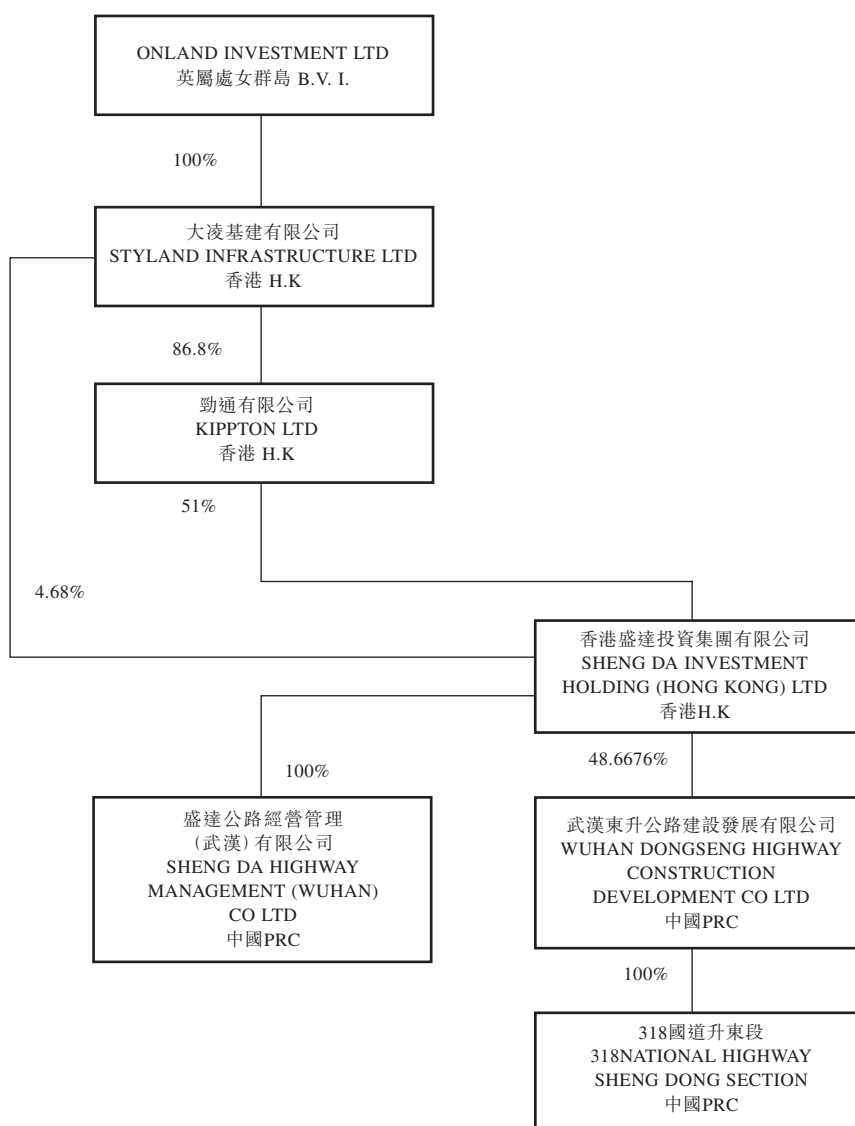
Guarantor: Lu Yu Dong

Assets to be Disposed

The assets to be disposed include (i) the Sale Shares, representing 90% of the issued shares of the Target Company held by the Vendor; and (ii) the Shareholder's Loan. The Vendor shall assign the Shareholder's Loan to the Purchaser. The Shareholder's Loan was advanced by the Group to the Target Group for the investment and administrative expenses relating to the infrastructure project.

The Target Group has consolidated audited net liabilities of approximately HK\$214.1 million as at 31 March 2009. Its consolidated audited net (losses)/profit before and after taxation for the years ended 31 March 2008 and 31 March 2009 were approximately (HK\$10.0 million) and HK\$0.1 million respectively. For reference purpose only, the consolidated unaudited net liabilities of Target Group as of 31 January 2010 were approximately HK\$214.6 million including the Shareholder's Loan.

Shareholding Structure of the Target Group



In view of the above shareholding structure, no consent for the Disposal is required from the minority shareholders of Kippton Limited, Sheng Da Investment Holding (Hong Kong) Limited and Wuhan Dongseng Highway Construction Development Company Limited.

Consideration

The total consideration for the Sale Shares and the assignment of the Shareholder's Loan under the Disposal is HK\$48 million which will be satisfied in the following manner:

- (a) as to HK\$1 million, being a refundable deposit and in part payment of the consideration will be paid to the Vendor upon signing of the Agreement. The Deposit has been received by the Group upon signing of the Agreement;

- (b) as to HK\$3 million, being the first payment and in part payment of the consideration will be paid to the Vendor upon the Completion; and
- (c) the remaining balance of HK\$44 million shall be satisfied on Completion by the Purchaser delivering to the Vendor a duly executed Promissory Note and Share Charge.

The Vendor shall refund the above deposit and all part payments made in the event that the conditions precedent have not be fulfilled or waived by the Long Stop Date.

The consideration for the Disposal was arrived at based on normal commercial terms after arm's length negotiations between the parties of the Agreement and by reference to (a) net assets value of HK\$37.9 million after excluding the Shareholder's Loan of the Target Group as at 30 September 2009; and (b) other factors set out in the paragraph headed "Reasons for entering into the Agreement" below. In view of the premium, the Company is of the view that it will benefit by accepting the offer from the Purchaser.

Based on the factors mentioned above, the consideration for the Disposal is considered by the Board as fair and reasonable and in the interests of the Group and of the Shareholders as a whole.

Conditions Precedent

Completion of the Agreement is subject to the fulfillment of, inter alia, the following conditions precedent:

- (a) all approvals by the shareholder(s) of the Vendor, its ultimate holding company, the Company, and regulatory authorities, corporate approvals and consents for the transactions contemplated under the Agreement being obtained,
- (b) compliance with all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong); and
- (c) having completed the due diligence and having notified the Vendor that the Purchaser is satisfied with the result of the due diligence.

The Company may waive in writing any of the conditions specified (save and except for conditions (a) and (b)) at any time. If all the conditions specified above have not been satisfied or waived by Long Stop Date (or such later date to be agreed between the parties to the Agreement in writing), then the Agreement shall lapse. All rights and obligations of the parties will cease upon such termination except that termination will not affect the then accrued rights and obligations of the parties (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any of the parties).

Completion

Completion of the sale of all the Sale Shares and the assignment of the Shareholder's Loan shall take place simultaneously subject to the conditions are satisfied or waived by the Purchaser. Upon Completion, the Target Company will cease to be the subsidiary of the Company and will be classified as investment available for sale in the account of the Company in accordance with Hong Kong Financial Reporting Standards.

Charge of Sale Shares

In consideration of the Vendor agreeing to allow a certain period of time to the Purchaser to repay the remaining balance of HK\$44 million to the Vendor, the Purchaser agrees to charge the Sale Shares to the Vendor.

Guarantee

The Guarantor, the Independent Third Party of the Company agrees to guarantee the Purchaser complete and punctual performance of all its obligations under the Agreement and Promissory Note.

Terms and Conditions of Assignment of Proceeds

Pursuant to the Agreement, the Purchaser has agreed with the Vendor to issue the Promissory Note in the principal amount of HK\$44 million as settlement of part of the consideration payable under the Agreement.

To secure the Purchaser's due performance of all its obligations under the Promissory Note, the Purchaser shall cause the Assignors (stated below) upon Completion, to grant security to the Vendor by way of assigning of all income payable to the Assignors upon the following terms and conditions.

Assignors : Onland Investment Limited, Styland Infrastructure Limited and Kipton Limited

Discharge Date : shall mean all monies and obligations incurred to the Vendor by the Purchaser under the Promissory Note has been irrevocably and unconditionally paid to the Vendor and discharged in full;

Assignment : The Assignors as beneficial owners hereby, from the date of the Assignment of Proceeds up to and until the Discharge Date, assigns to the Vendor absolutely as first assignment all the proceeds and each and any part thereof for the payment or discharge to the Vendor on demand of all monies and obligations incurred to the Vendor by the Purchaser under the Promissory Note

Terms and Conditions of Promissory Note (the “Promissory Note”)

Principal Amount HK\$44 million

Maturity Date the 18th month of the date of the Promissory Note

Interest The Promissory Note shall bear interest from the date of issue at the rate of 6% per annum on the outstanding principal amount of the Promissory Note, which subject to provided herein, shall be payable by the Company in arrears on the Maturity Date or in case of permitted partial repayment, on such partial repayment date.

Redemption The noteholder may at any time and from time to time prior to the Maturity Date, by 10 business days prior written notice to the Company elect to redeem the whole or part of the then outstanding principal amount of the Promissory Note at 100% of the principal amount of the Promissory Note outstanding and sought to be redeemed together with any interest accrued thereon.

INFORMATION RELATING TO THE TARGET GROUP

The Target Company, a wholly owned subsidiary of the Vendor, is an investment holding company incorporated under the laws of the British Virgin Islands on 10 March 2004. The principal asset of the Target Company consists of (i) 318 National Highway Sheng Dong Section located in Wuhan which has no revenue contribution since 2004; and (ii) 48.9% shareholding interest in Sheng Da Highway Management (Wuhan) Company Limited which has no revenue contribution since its incorporation.

The consolidated financial statements of the Target Company are as follows:

<i>HK\$'000</i>	For the year ended	
	2009	2008
Turnover	NIL	NIL
Net Profit/(Loss) Before Tax	120.7	(10,023.4)
Net Profit/(Loss) After Tax Before Minority Interests	120.7	(10,023.4)
Total Assets	182,616.8	179,219.1
Net Liabilities	214,074.8	213,982.1

The subsidiaries and associated company of the Target Company are as follows:

Name	Place of incorporation/ operations	Percentage of equity attributable to the Target Company	Principal activities
Styland Infrastructure Limited	Hong Kong	100%	Investment Holding
Kippton Limited	Hong Kong	86.8%	Investment Holding
Sheng Da Investment Holding (Hong Kong) Limited	Hong Kong	48.9%	Investment Holding
Sheng Da Highway Management (Wuhan) Company Limited	People's Republic of China	48.9%	Management Services
Wuhan Dongseng Highway Construction Development Company Limited	People's Republic of China	23.8%	Investment Holding

Based on the management account of Target Group for the period from 1 April 2009 to 30 September 2009, it is estimated that upon Completion, the Group will record a gain of HK\$10.0 million on the Disposal before deducting the relevant expenses, which is calculated by reference to the net asset of HK\$37.9 million after excluding the Shareholder's Loan of the Target Group as at 30 September 2009 and the consideration of HK\$48 million.

INFORMATION ON THE PURCHASER

The Purchaser, which is an investment holding company incorporated under the laws of the British Virgin Islands, has no other business and/or investment save for the acquisition of the Sale Shares. The Guarantor, being the sole shareholder and director of the Purchaser, is in the trading business in the PRC since 1980s, including but not limited to the wholesale of electronic parts for the infrastructure projects. As such, the Guarantor has developed a strong business network in the PRC. In 1998, the Guarantor set up his own company and is currently a sole distributor of some branded electronic items in Shanghai. The Company has performed credit assessment on the Guarantor by enquiring the business reputation of the Guarantor in Shanghai. As such, the Board is satisfied on the credit assessment.

The Company is of the view that through the strong network of the Guarantor, especially in Wuhan, the Target Group, including the operation of 318 National Highway Sheng Dong Section, held by Wuhan Dongseng Highway Construction Development Company Limited, could take advantage of the connection of the Guarantor in Wuhan and having the Guarantor as one of the shareholder of the Target Group will be in best interest of the shareholders of Wuhan Dongseng Highway Construction Development Company Limited in future.

In order to secure recoverability of the Promissory Note, the Company has requested (i) the Guarantor agrees to guarantee the Purchaser complete and punctual performance of all its obligations under the Agreement and Promissory Note; (ii) the Purchaser agrees to charge the Sale Shares to the Vendor; (iii) the Purchaser shall cause the Assignors to grant security to the Vendor by way of assigning all income payable to the Assignors; and (iv) each of the Purchaser, the Target Company, Styland Infrastructure Limited and Kipton Limited has agreed to give the Vendor an irrevocable negative pledge, as at Completion, to the effect that each of them would not dispose of its interest in the subsidiaries and associated companies before the Promissory Note is fully paid.

REASONS FOR ENTERING INTO THE AGREEMENT

The Company is an investment holding company. The principal activities of the Group consists of investment holdings, securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment.

The Board believes that the Group would prefer to maintain minimal participation in its non core business and concentrate on its existing securities dealing and broking business. Under such circumstances, the Board considers that the Disposal represents (i) a good opportunity for realization of its investment in the Target Company; and (ii) improvement in the cash inflow of the Group; (iii) no longer subject to any substantial risk from the operation of the Target Group; and (iv) net proceeds from the Disposal will provide additional working capital for the Group to develop its existing business.

In addition, the Company has considered disposing 100% instead of disposing 90% shareholding interest of the Target Company. However, the Purchaser insisted the Company to maintain 10% shareholding interest of the Target Company and remain as the strategic partner of the Target Company in order to promote the reputation of the operation in the PRC. In respect of the assignment of Shareholder's Loan, the Company assigns 100% of the Shareholder's Loan as the Company is of the view that it has difficulty in controlling the priority of the repayment of the Shareholder's Loan after disposing 90% of Sales Shares and becoming a minority shareholder of the Target Company.

Given the consideration payable by the Purchaser represents a premium over the net asset of HK\$37.9 million of the Target Group as at 30 September 2009 after excluding the Shareholder's Loan, the Board, including the independent non-executive Directors, considers that the terms and conditions of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FURTHER INFORMATION OF THE LITIGATION

In June 2003, Hainan Wanzhong Shiye Touzi Co Ltd urged the Haikou Intermediate People's Court of Hainan Province to issue a Notice for Assistance in Execution to Wuhan Dongseng Highway Construction Development Co Limited to retain an amount of RMB19.27 million to be distributed to Sheng Da Investment Holding (Hong Kong) Limited.

In October 2006, the Haikou Intermediate People's Court of Hainan Province dismissed the claims from Hainan Wanzhong Shiye Touzi Co Ltd and Sheng Da Investment Holding (Hong Kong) Limited had recovered the retained money of RMB19.27 million.

In March 2007, Hainan Wanzhong Shiye Touzi Co Ltd had filed its appeal against the judgment of the Haikou Intermediate People's Court of Hainan Province.

In June 2007, Sheng Da Investment Holding (Hong Kong) Limited was informed that the Haikou Intermediate People's Court of Hainan Province had issued a Notice for Assistance in Execution on 6 June 2007 to Wuhan Transport Development Co Ltd, the Chinese joint venture partner of Sheng Da Investment Holding (Hong Kong) Limited in Wuhan Dongseng Highway Construction Development Co Limited requesting for retaining an amount of RMB19.27 million from the payment of equity transfer amount to Sheng Da Investment Holding (Hong Kong) Limited until the dispute is resolved.

In February 2009, Sheng Da Investment Holding (Hong Kong) Limited received from one of its shareholders the judgement of the PRC Supreme Court, pursuant to which the PRC Supreme Court accepted the application for appeal lodged by Sheng Da Investment Holding (Hong Kong) Ltd.

In December 2009, the PRC Supreme Court dismissed the judgment of the Haikou Intermediate People's Court of Hainan Province.

All the litigation between Sheng Da Investment Holding (Hong Kong) Limited and Hainan Wanzhong Shiye Touzi Co Ltd have been settled. The Group will no longer bear any liabilities arising from the litigation between Sheng Da Investment Holding (Hong Kong) Limited and Hainan Wanzhong Shiye Touzi Co Ltd upon Completion.

REMAINING OPERATION OF THE GROUP

The remaining business of the Group consists of investment holdings, securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment upon Completion. As the Target Group does not

contribute any revenue of the Group, the revenue of the Group will not be affected after the Disposal. The turnover for Group as at 31 March 2009 and 30 September 2009 were HK\$132.1 million and HK\$167.4 million respectively, contributing from the existing business of securities dealing and broking, financing, trading of securities, general import and export trading and property redevelopment and investment after Disposal.

IMPLICATIONS OF THE LISTING RULES

The Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to Shareholders' approval. A circular containing, among other things, further details of the Disposal together with a notice convening the SGM will be dispatched to the Shareholders as soon as possible.

STATUS OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 21 April 2004. Trading in the Shares will remain suspended until further notice.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	the sale and purchase agreement dated 10 February 2010 entered into between Simplex Inc. as vendor and Lucky Global Investments Limited as purchaser and the Guarantor for the disposal of the Sale Shares by the Company at the total consideration of HK\$48 million which will be satisfied partly by cash and partly by the promissory note issued by Lucky Global Investments Limited
“Board”	the board of Directors
“Company”	means Styland Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange (stock code: 211)
“Completion”	means completion of the Disposal pursuant to the terms of the Agreement
“Completion Date”	means 31 March 2010 or such other date as the Vendor and Purchaser may agree
“Connected Person(s)”	has the meaning given to that term in the Listing Rules

“Deposit”	cash deposit in the aggregate sum of HK\$1 million paid by the Purchaser to the Vendor pursuant to the terms and conditions of the Agreement
“Disposal”	the proposed disposal of the Target Group and the assignment of the Shareholder’s Loan subject to the terms and conditions of the Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Lu Yu Dong, the sole shareholder and director of the Purchaser, an Independent Third Party of the Company and its subsidiaries (as defined in the Listing Rules)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	(a) party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the 7th business day before the Completion Date (or such other date as the Vendor and the Purchaser may agree)
“Percentage Ratios”	the “percentage ratios” as defined in rule 14.04(9) of the Listing Rules
“PRC”	The People’s Republic of China
“Purchaser”	Lucky Global Investments Limited
“Sale Shares”	means 9 issued and fully paid shares of US\$1.00 each in the capital of the Target Company representing 90% of the share capital of the Target Company immediately before completion of the Disposal, which are legal and beneficially owned by Simplex Inc.

“SGM”	the special general meeting of the Company to be convened to approve, inter alia, the Agreement and the transactions contemplated thereunder
“Share(s)”	Ordinary share(s) of HK\$0.01 each in the existing share capital of the Company
“Share Charge”	means share charge in respect of the Sale Shares to be given by the Purchaser to the Vendor until the repayment of total consideration to the Vendor by the Purchaser
“Shareholder(s)”	Holder(s) of the Share(s)
“Shareholder’s Loan”	the unsecured debt in the amount of approximately HK\$253 million owed by the Target Company to the Vendor as at the date of Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Onland Investment Limited, a company incorporated under the laws of the British Virgin Islands and the entire issued share capital of which is held by Simplex Inc as at the date of the Agreement
“Target Group”	means the group of the companies consisting of the Target Company, its subsidiaries and associated companies
“Vendor”	Simplex Inc., being the vendor of the Sales Shares under the the Agreement
“%”	per cent.

By the order of the Board
Styland Holdings Limited
Zhang Yuyan
Director

24 February 2010

As at the date of this announcement, the executive Directors of the Company are Mr. Cheung Hoo Win, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Ms. Zhang Yuyan and Ms. Chan Lili and the independent non-executive Directors are Mr. Zhao Qingji, Mr. Yeung Shun Kee Edward, Mr. Li Hancheng and Lo Tsz Fung Philip.