

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

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

**If you have sold or transferred** all your shares in Styland Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 211)**

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**
  - (2) ADOPTION OF NEW SHARE OPTION SCHEME;**
  - (3) RE-ELECTION OF DIRECTORS; AND**
  - (4) NOTICE OF ANNUAL GENERAL MEETING**
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A notice convening the annual general meeting of the Company to be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Friday, 21 September 2012 at 10:30 a.m. is set out on pages 14 to 17 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk>.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at 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 annual 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 annual general meeting or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

14 August 2012

## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional
“AGM”	the annual general meeting of the Company to be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Friday, 21 September 2012 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the proposed resolutions set out in this circular
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability (stock code: 211), the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Contract”	in relation to an employee or a director, his/her contract of employment or service contract or terms of employment with his/her Employer (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company and, in relation to the New Share Option Scheme, the directors of any Eligible Entity, including executive and non-executive director(s)
“Eligible Entity”	the Company and its subsidiaries (as defined in the Companies Ordinance), and any entity (including associated company) in which the Company, or any of its subsidiaries holds any equity interest
“Employer”	in relation to a Participant, the Eligible Entity which employs or has appointed him/her under his/her Contract

## DEFINITIONS

“Existing Share Option Scheme”	the share option scheme adopted by the Company on 22 August 2002
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 August 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board for the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Shareholders at the AGM
“Offer Date”	in relation to an Option, the date (which must be a Business Day) on which a Participant is offered such Option
“Option(s)”	as the context may require, in relation to the New Share Option Scheme or the Existing Share Option Scheme, a right granted under the New Share Option Scheme or the Existing Share Option Scheme (as the case may be) to subscribe for Shares in accordance with the New Share Option Scheme or the Existing Share Option Scheme (as the case may be)
“Option-holder”	a person holding an Option (and, where relevant, includes his personal representatives)
“Option Period”	in relation to an Option, the period, which is notified by the Board when making an offer to a Participant, during which the Option may be exercised; such period must not exceed the period of 10 years from the Offer Date of such Option
“Option Price”	in respect of any Option granted under the New Share Option Scheme, the subscription price for each Share payable by the Option-holder on exercise of the Option as determined by the Board and notified to an Option-holder in accordance with the Rules

## DEFINITIONS

“Other Scheme(s)”	any other share option scheme(s) involving the grant by the Company or any of its subsidiaries of options over new securities issued by the Company or any of its subsidiaries established by the Company or any of its subsidiaries in accordance with Chapter 17 of the Listing Rules or any other share option scheme(s) which is determined by the Stock Exchange to be analogous to a share option scheme as described in Chapter 17 of the Listing Rules (including the Existing Share Option Scheme)
“Participant(s)”	any person who is (or will be on and following the Offer Date) an employee (whether full time or part time) holding salaried office or employment under a Contract with an Eligible Entity or is a Director (including executive and non-executive directors) of an Eligible Entity or any adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any Eligible Entity whom the Board in its sole discretion considers eligible for the New Share Option Scheme on the basis of his or her contribution to the Group
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao and Taiwan for the purpose of this circular
“Rules”	the rules of the New Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong

**LETTER FROM THE BOARD**



**STYLAND HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 211)**

*Executive Directors:*

Cheung Hoo Win (*Chief executive officer*)  
Ng Yiu Chuen  
Mak Kit Ping  
Zhang Yuyan  
Chen Lili

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Independent non-executive Directors:*

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

*Head office and principal place of  
business in Hong Kong:*

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

14 August 2012

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES;  
(2) ADOPTION OF NEW SHARE OPTION SCHEME;  
(3) RE-ELECTION OF DIRECTORS; AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with (i) details of the granting to the Directors of general mandates to issue and repurchase shares of the Company; (ii) an explanatory statement regarding the repurchase mandate; (iii) details of the New Share Option Scheme; (iv) details of the re-election of Directors; and (v) the notice for the AGM.

## **LETTER FROM THE BOARD**

### **GENERAL MANDATE TO ISSUE SHARES**

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

On the Latest Practicable Date, there were in issue an aggregate of 3,709,773,088 Shares. Exercise in full of the mandate, on the assumption that no further Shares will be issued or repurchased prior to the date of the AGM, could accordingly result in up to 741,954,617 Shares being issued by the Company, representing 20 per cent. of the issued share capital of the Company on the Latest Practicable Date.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will also be proposed that the Directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. Based on 3,709,773,088 Shares in issue on the Latest Practicable Date and on the assumption that no further Shares will be issued or repurchased prior to the date of the AGM, exercise in full of the mandate could accordingly result in up to 370,977,308 Shares being repurchased by the Company.

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

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase when appropriate and is therefore beneficial to the Company. Such repurchases may enhance the net asset value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31 March 2012 (being the date of its latest audited accounts), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. However, the Directors do not intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company or where such a repurchase would result in the public float of the Company falling below 25 per cent., the prescribed minimum percentage of the Shares in issue required by the Stock Exchange to be held by the public.

## LETTER FROM THE BOARD

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

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

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

None of the Directors or, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates of any of the Directors has any present intention, in the event that the proposal is approved by the Shareholders, to sell any Shares to the Company.

No connected person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

### **Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and bye-laws of the Company.

### **Effect of Takeovers Code**

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Cheung Chi Shing and his spouse, Ms. Yeung Han Yi Yvonne (collectively, the “**Substantial Shareholder**”), in total holding approximately 22.72 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of the Substantial Shareholder in the Company would be increased to

## LETTER FROM THE BOARD

approximately 25.24 per cent. of the issued share capital of the Company and such an increase would not give rise to an obligation on the Substantial Shareholder to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

### Rules of the Stock Exchange Rules on repurchases of shares

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

*(a) Shareholders' approval*

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

*(b) Source of funds*

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

### General

During each of the six months preceding the Latest Practicable Date, no Shares were repurchased by the Company, whether on the Stock Exchange or otherwise.

Trading in the Shares on the Stock Exchange was suspended from 21 April 2004 to 14 December 2011. The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the remaining months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
<b>2011</b>		
15 December to 30 December	0.100	0.053
<b>2012</b>		
January	0.070	0.046
February	0.112	0.063
March	0.109	0.095
April	0.104	0.090
May	0.103	0.094
June	0.110	0.095
July	0.114	0.100
August (up to the Latest Practicable Date)	0.107	0.100



## LETTER FROM THE BOARD

### PROPOSAL FOR ADOPTION OF THE NEW SHARE OPTION SCHEME

#### Existing Share Option Scheme

The Existing Share Option Scheme will expire on 21 August 2012. As at the Latest Practicable Date, there were no outstanding options under the Existing Share Option Scheme.

#### New Share Option Scheme

At the AGM, an ordinary resolution will be proposed for the Company to approve and adopt the New Share Option Scheme to replace the Existing Share Option Scheme. The New Share Option Scheme will take effect on the date of its adoption at the AGM subject to the Stock Exchange granting approval for the listing of and dealing in the Shares to be issued and allotted pursuant to the exercise of Options in accordance with the Rules.

The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Participants in recognition of their contribution to the Group.

Assuming that there is no further change in the issued share capital between the Latest Practicable Date and the Adoption Date, the number of Shares issuable pursuant to the New Share Option Scheme on the Adoption Date will be 370,977,308 Shares.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the exercise price, exercise period, lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful to Shareholders.

None of the Directors is trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee.

With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

#### Conditions precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued by the Company pursuant to the exercise of Options in accordance with the Rules.

## LETTER FROM THE BOARD

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any Other Schemes must not in aggregate exceed 10 per cent. of the total issued share capital of the Company as at the Adoption Date unless the Company obtains a fresh approval from Shareholders to renew the 10 per cent. limit on the basis that the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any Other Schemes must not exceed 30 per cent. of the issued share capital of the Company from time to time.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in the appendix to this circular on pages 18 to 26. A copy of the Rules is available for inspection at 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 during normal business hours from the date hereof up to and including the date of the AGM.

In accordance with the requirements of the Listing Rules, the Company will publish an announcement on the outcome of the AGM in respect of the resolution relating to the adoption of the New Share Option Scheme on the website of the Stock Exchange.

### **Application for listing**

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

### **RE-ELECTION OF DIRECTORS**

Resolutions will be proposed at the AGM for the re-election of Mr. Cheung Hoo Win, Ms. Zhang Yuyan, Ms. Chen Lili and Ms. Mak Kit Ping as executive Directors according to the Company's bye-laws.

Their particulars are as follows:

**Mr. Cheung Hoo Win**, aged 33, joined the Group in 2004. He was appointed executive Director in 2006 and chief executive officer in 2009. Mr. Cheung graduated from Peking University (Department of International Economics and Trade). During his studies at Peking University, Mr. Cheung developed good business connections in the PRC. Previously, he worked for China Development Research Foundation, the subordinate unit of the Development Research Centre of the State Council, and was the vice-president of the Macau Energy Saving Association. Mr. Cheung is a member of the Hong Kong United Youth Association.

Mr. Cheung assists the Chairman of the Group in leading the Board and is responsible for the entire Group's business and development. He is also responsible for the Group's China related business as well as dealing with the Group's mainland customers for their business in Hong Kong. Mr. Cheung is one of the directors of the subsidiaries of the Company.

## LETTER FROM THE BOARD

Save as disclosed herein, Mr. Cheung did not hold any directorship in other listed public companies in the last three years and did not hold any other position in the Company or any subsidiary of the Company.

Pursuant to his service agreement with the Company, Mr. Cheung's appointment has no fixed term of service but is subject to normal retirement and re-election by the Shareholders pursuant to the bye-laws of the Company. Mr. Cheung is entitled to a fixed monthly remuneration of HK\$39,500 and a discretionary bonus for each completed year of service. His remuneration was determined by the Board with reference to market rates and his experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, save as being the son of Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne, both being substantial shareholders of the Company, Mr. Cheung did not have, and was not deemed to have, any interests or short positions in any shares or debentures (as defined under the Part XV of the SFO) of the Company, and did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(a) to 13.51(2)(v) of the Listing Rules and no other matters relating to Mr. Cheung's re-election need to be brought to the attention of the Shareholders.

**Ms. Zhang Yuyan**, aged 50, was appointed executive Director in 2006. Ms. Zhang graduated from Zhongnan University of Economics and Law (中南財經大學), formerly known as Hubei Economics College (湖北財經學院). Ms. Zhang has extensive experience in management and is familiar with Mainland China's economic, finance and taxation matters.

Save as disclosed herein, Ms. Zhang did not hold any directorship in other listed public companies in the last three years and did not hold any other position in the Company or any subsidiary of the Company.

Pursuant to her service agreement with the Company, Ms. Zhang's appointment has no fixed term of service but is subject to normal retirement and re-election by the Shareholders pursuant to the bye-laws of the Company. Ms. Zhang is entitled to a fixed monthly remuneration of HK\$12,500 and a discretionary bonus for each completed year of service. Her remuneration was determined by the Board with reference to market rates and her experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, Ms. Zhang did not have, and was not deemed to have, any interests or short positions in any shares or debentures (as defined under the Part XV of the SFO) of the Company, and did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(a) to 13.51(2)(v) of the Listing Rules and no other matters relating to Ms. Zhang's re-election need to be brought to the attention of the Shareholders.

## LETTER FROM THE BOARD

**Ms. Chen Lili**, aged 30, joined the Group as executive Director in 2009. She graduated with a Bachelor of Electronics Science and Techniques degree from the School of Electronics Engineering and Computer Science at Peking University in 2004. Ms. Chen also obtained her Master of Computer Applied Technology degree from the Institute of Software at the Chinese Academy of Sciences in 2007. Ms. Chen is a senior associate in the Risk & Controls Solutions Department, PricewaterhouseCoopers Consultancy (Shenzhen) Limited, Beijing branch, where she has led multiple teams to conduct audit and advisory work and has provided internal controls management and optimization services to several large energy, insurance and logistics companies. Ms. Chen has extensive experience in corporate governance matters.

Save as disclosed herein, Ms. Chen did not hold any directorship in other listed public companies in the last three years and did not hold any other position in the Company or any subsidiary of the Company.

Pursuant to her service agreement with the Company, Ms. Chen's appointment has no fixed term of service but is subject to normal retirement and re-election by the Shareholders pursuant to the bye-laws of the Company. Ms. Chen is entitled to a fixed monthly remuneration of HK\$10,000 and a discretionary bonus for each completed year of service. Her remuneration was determined by the Board with reference to market rates and her experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, Ms. Chen did not have, and was not deemed to have, any interests or short positions in any shares or debentures (as defined under the Part XV of the SFO) of the Company, and did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(a) to 13.51(2)(v) of the Listing Rules and no other matters relating to Ms. Chen's re-election need to be brought to the attention of the Shareholders.

**Ms. Mak Kit Ping**, aged 46, joined the Group in April 2008. She was appointed executive Director in February 2012. Ms. Mak is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Mak is licensed under the Securities and Futures Ordinance for Type 1 activity (dealing in securities) and Type 6 activity (advising on corporate finance), and is one of the responsible officers of Ever-Long Securities Company Limited, a wholly-owned subsidiary of the Company. Ms. Mak has more than 19 years of experience in the securities business and is responsible for the Group's brokerage business. She is also one of the directors of the subsidiaries of the Company.

Save as disclosed herein, Ms. Mak did not hold any directorship in other listed public companies on the Stock Exchange or any other stock exchange in the last three years and did not hold any other position in the Company or any subsidiary of the Company.

Pursuant to her service agreement with the Company, Ms. Mak's appointment has no fixed term but is subject to normal retirement and re-election by the Shareholders pursuant to the bye-laws of the Company. Ms. Mak is entitled to a fixed monthly remuneration of HK\$45,000

## LETTER FROM THE BOARD

and, for each completed year of service, an end-of-year payment equivalent to two months of her monthly emolument and a discretionary bonus. Her remuneration was determined by the Board with reference to market rates and her experience, duties and responsibilities in the Group.

As at the Latest Practicable Date, Ms. Mak did not have, and was not deemed to have, any interests or short positions in any shares or debentures (as defined under the Part XV of the SFO) of the Company, and did not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(a) to 13.51(2)(v) of the Listing Rules and no other matters relating to Ms. Mak's re-election need to be brought to the attention of the Shareholders.

### **ANNUAL GENERAL MEETING**

You will find on pages 14 to 17 of this circular a notice of the AGM to be held at 10:30 a.m. on Friday, 21 September 2012 at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange at <http://www.hkexnews.hk>. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the resolutions to be proposed at the AGM. All the resolutions proposed to be approved at the AGM will be taken by poll and an announcement of the results of the AGM will be made by the Company after the AGM.

### **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 facts the omission of which would make any statement herein misleading.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the granting of general mandates to issue Shares and repurchase Shares to the Directors, the adoption of the New Share Option Scheme and the re-election of the retiring Directors are in the interests of the Company and its shareholders and so recommend you to vote in favour of all resolutions at the AGM.

Yours faithfully,  
By order of the Board  
**Styland Holdings Limited**  
**Ng Yiu Chuen**  
*Director*

# NOTICE OF ANNUAL GENERAL MEETING



## STYLAND HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 211)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Styland Holdings Limited (the “**Company**”) will be held at 28/F, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong on Friday, 21 September 2012 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2012.
2. To re-elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditor(s) and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

A. “**THAT:**

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



## NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

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

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

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

**B. “THAT:**

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



## NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

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

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

C. “**THAT** conditional upon resolution nos. 4A and 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution.”

5. “**THAT**:

conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares (the “**Shares**”) of the Company falling to be issued pursuant to the share option scheme (the “**New Share Option Scheme**”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors of the Company be and are hereby authorized to grant options and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme.”

By order of the Board  
**Styland Holdings Limited**  
**Wang Chin Mong**  
*Company Secretary*

Hong Kong, 14 August 2012

## NOTICE OF ANNUAL GENERAL MEETING

*Registered office:*  
Canon'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

*Notes:*

1. A member entitled to attend and vote at the annual general meeting 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 on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting 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. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at 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 not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he/she/it so wish and in such event, the proxy shall be deemed to be revoked.
3. In the case of joint holders of Shares, any one of such holders may vote at the annual general meeting, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

*As at the date of this notice, the executive directors of the Company are Mr. Cheung Hoo Win, Mr. Ng Yiu Chuen, Ms. Mak Kit Ping, Ms. Zhang Yuyan and Ms. Chen Lili and the independent non-executive directors are Mr. Zhao Qingji, Mr. Yeung Shun Kee, Mr. Li Hancheng and Mr. Lo Tsz Fung Philip.*

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the AGM:

## **1. PURPOSE**

The purpose of the New Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to the Participants.

## **2. WHO MAY JOIN**

To determine the eligibility of the Participant, the Board may offer to grant an Option to any Participant who has contribution to the Group to subscribe for such number of Shares at the Option Price calculated according to paragraph 5 below, subject always to any limits and restrictions specified in the Rules.

## **3. PAYMENT ON ACCEPTANCE OF OPTION OFFER**

A Participant shall pay the Company HK\$1.00 for the grant of an Option on acceptance of an Option offer within 21 days after the Offer Date.

## **4. TERMS OF OPTIONS**

Options granted under the New Share Option Scheme are subject to such terms and conditions as may be determined by the Board at its absolute discretion and specified in the offer of an Option, which terms and conditions may include:

- (A) vesting conditions which must be satisfied before an Option-holder's Option shall become vested and capable of being exercised; and
- (B) the Board may, in its absolute discretion, specify performance conditions that must be achieved before an Option can be exercised and/or the minimum period for which an Option must be held before it can be exercised.

These provisions will give the Board flexibility to impose conditions suitable for fulfilling the various purposes of the New Share Option Scheme. Apart from this general discretion of the Board, the Rules do not contain specific provisions on the minimum period during which an Option must be held before exercise or on performance targets applicable to Options.

Under the New Share Option Scheme, the Directors have discretion to set a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto. This discretion allows the Directors to provide incentive to eligible Participants to remain as eligible Participants and thereby enable the Group to continue to benefit from the services and contributions of the eligible Participants. This discretion, coupled with the power of the Directors to impose any performance target or other restrictions as they consider appropriate before the Option can be exercised, enable the Group to provide incentives to the Participants to use their best endeavours in assisting the growth and

development of the Group. Although the New Share Option Scheme does not provide for the granting of Options with rights to subscribe for Shares at a discount to the traded prices of the Shares on the Stock Exchange, the Directors are of the view that the flexibility given to the Directors in granting Options to the Participants and to impose minimum period for which the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole.

## 5. OPTION PRICE

The Option Price will be determined by the Board at its absolute discretion and notified to an Option-holder. The minimum Option Price shall not be less than the highest of:

- (A) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;
- (B) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (C) the nominal value of the Shares.

## 6. MAXIMUM NUMBER OF SHARES SUBJECT TO THE NEW SHARE OPTION SCHEME

**6.1** Subject to the limits referred to in paragraphs 6.2, 6.3 and 6.4, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any options to be granted under any Other Scheme must not in aggregate exceed 10% of the aggregate of the Shares in issue as at the Adoption Date.

Options lapsed in accordance with the terms of the New Share Option Scheme and any Other Scheme will not be counted for the purpose of calculating the 10% limit in this paragraph 6.1.

**6.2** With the approval of the Shareholders in general meeting, the Board may "refresh" the 10% limit under paragraph 6.1 (and may further refresh such limit in accordance with this paragraph) provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under the New Share Option Scheme and any Other Scheme under the limit as "refreshed" shall not exceed 10% of the Shares in issue as at the date on which the Shareholders approve the "refreshed" limit.

Options previously granted under the New Share Option Scheme and Options granted under any Other Schemes (including those outstanding, cancelled and lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as "refreshed".

**6.3** Subject to the limits referred to in paragraphs 6.4, 7 and 23 below, the Board may, with the approval of the Shareholders, grant Options in excess of the 10% limit to Participants specifically identified before Shareholders' approval is sought. In such situation, the Company will send a circular to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified Participants with an explanation of how the terms of the Options will serve the purpose.

**6.4** The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and all outstanding options granted and yet to be exercised under any Other Scheme shall not exceed 30% of the Shares in issue from time to time. No Options may be granted under the New Share Option Scheme and no options may be granted under any Other Schemes if this will result in the limit being exceeded.

## **7. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

Subject always to the limits referred to in paragraphs 6 above and 23 below, the Board shall not grant any Options to any Participant which, if exercised, would result in such Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all Options granted to him (including those Options exercised or outstanding) in any 12-month period exceed 1% of the Shares in issue at such date.

The Board may grant Options to any Participant in excess of the individual limit of 1% in any 12-month period with the approval of the Shareholders in general meeting (with such Participant and his associates abstaining from voting). In such situation, the Company will send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted (and previously granted to such Participant).

## **8. TIME OF EXERCISE OF OPTIONS**

Subject to the provisions in paragraphs 10 to 15 below, an Option under the New Share Option Scheme which is vested and has not lapsed may be exercised at any time during such period notified by the Board as not exceeding 10 years from the Offer Date. The exercise of Options may also be subject to any conditions imposed by the Board at the time of offer (see paragraph 4 above).

## **9. NON-TRANSFERABILITY OF OPTIONS**

Except for the transmission of an Option on the death of an Option-holder to his personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Option-holder to any other person. If an Option-holder transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

**10. RIGHTS ON CEASING EMPLOYMENT**

If an Option-holder ceases to be a Participant as a result of the cessation of his employment or engagement for any reason other than his death or the termination of his employment or engagement on certain grounds specified in the Rules and this paragraph 10, then the Option-holder may exercise any vested Option at the date of cessation of his employment or engagement within the period of 1 month following the date of such cessation or such other period as the Board may determine. The Board shall have the discretion to decide whether any unvested Option can be exercised by such Option-holder and the time period for exercise. All Options not exercised shall lapse upon the expiry of the 1-month period or such other period as the Board may determine.

If an Option-holder ceases to be a Participant by reason of the termination of his employment or engagement on one or more grounds of misconduct or conviction of a criminal offence involving dishonesty, all Options not exercised shall lapse automatically on the date which the Option-holder ceases to be a Participant.

**11. RIGHTS ON DEATH**

If an Option-holder ceases to be a Participant by reason of his death and none of the events which would be a ground for termination of his employment specified in the Rules and paragraph 10 above has occurred, the legal personal representative(s) of the Option-holder may exercise any vested Option within a period of 12 months from the date of his death or such other period as the Board may determine. The Board shall have the discretion to decide whether any unvested Option can be exercised by the legal personal representative(s) of such Option-holder and the time period for exercise. All Options not exercised shall lapse upon the expiry of the 12-month period or such other period as the Board may determine.

**12. RIGHTS ON A GENERAL OFFER**

If more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror or any person associated with or acting in concert with the offeror, the Board will notify every Option-holder of such event within 14 days of becoming so aware (or as soon as practicable). Each Option-holder will be entitled to exercise his vested Options during the 6-month period starting on the later of:

- (A) the date of the Board's notification to the Option-holders; and
- (B) the date on which the person making the offer obtains control of the Company.

The Options will only lapse on expiry of this 6-month period if the Board gives notice to the Option-holder before the end of the period specifying that the Options will lapse.

### 13. RIGHTS ON WINDING UP

In the event that a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to each Participant and thereupon, every Participant shall be entitled to exercise his/her Option (if not already exercised) to its full extent or to the extent specified (such exercise to occur not later than two Business Days prior to the proposed Shareholders' meeting referred to above) by notice in writing to the Company, stating that the Option is thereby exercised and the number of shares in respect of which it is exercised, accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given, and the Company shall, as soon as possible and, in any event, no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot such number of Shares to the Participant which fall to be issued pursuant to the exercise of the Option. The Company shall give notice to the Participant of the passing of such resolution within seven days after the passing thereof.

### 14. REORGANISATION OF CAPITAL STRUCTURE

In the event of a capitalisation of profits or reserves, further rights issues of Shares, consolidation or subdivision of Shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (A) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or
- (B) the price at which the Options are exercisable.

Any such adjustment shall be made on the basis that:

- (A) the proportion of the issued share capital of the Company to which an Option-holder is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment;
- (B) it will not enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Option-holder would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and
- (C) the auditors or independent financial adviser selected by the Board (as appropriate) must confirm to the Board in writing that the adjustment satisfies the requirements of the note to Rule 17.03(13) of the Listing Rules, except where such adjustment is made on a capitalisation issue.



**15. LAPSE OF OPTIONS**

An Option will lapse on the earliest of:

- (A) the expiry of the Option Period; or
- (B) the expiry of any of the other periods referred to in paragraphs 10, 11, 12 and 13 above; or
- (C) the expiry of 3 months following a court order sanctioning a compromise or arrangement in relation to the reconstruction of the Company or its amalgamation with another company or companies; or
- (D) the date on which a breach of paragraph 9 above is committed.

**16. RANKING OF SHARES**

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on liquidation of the Company). Shares issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights (which include, among other things, voting rights and dividend rights) attaching to Shares by reference to a date preceding the date of allotment. The Shares subject to the New Share Option Scheme are not required to be separately designated.

**17. CANCELLATION OF OPTIONS**

Notwithstanding any other provision in the New Share Option Scheme (except for the provisions in paragraph 18 below), the Board may cancel any Option (which has been granted but not yet exercised). Unless the Option-holder otherwise agrees, the Board may only cancel such Option if, at the election of the Board:

- (A) the Company pays to the Option-holder an amount equal to the fair market value of the Option at the date of cancellation as determined by the Board, after consultation with the auditors or an independent financial adviser appointed by the Board; or
- (B) the Board offers to grant to the Option-holder replacement Options (or options under any Other Scheme) of equivalent value to the Options to be cancelled, provided that the grant of such replacement Options (or options under any Other Scheme) shall not cause the limits set out in paragraphs 6, 7 above and 23 below to be breached; or
- (C) the Board makes such arrangements as the Option-holder may agree to compensate him for the loss of the Option.



**18. AMENDMENTS TO THE NEW SHARE OPTION SCHEME AND TERMS OF OPTIONS**

Subject to the provisions of this paragraph 18, the Board may amend any of the provisions of the New Share Option Scheme and the terms of any Options (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to affect adversely any rights which have accrued to any Option-holders at that date) and provided that amendments which are to the advantage of present or future Option-holders and which relate to matters contained in Rule 17.03 of the Listing Rules are sanctioned by the Shareholders in general meeting.

Any amendment to the Rules which is of a material nature or any amendment to the terms and conditions of the Options granted may only be made with the approval of the Shareholders save where the amendments take effect automatically under the Rules. The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Board in relation to any amendment of the Rules may only be made with the approval of the Shareholders in general meeting.

**19. TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company, by ordinary resolution in general meeting, or the Board may terminate the New Share Option Scheme at any time and in such event no further Options shall be granted under the New Share Option Scheme but any Options which have been granted but not yet exercised shall continue to be valid and exercisable in accordance with the Rules.

**20. PERIOD OF THE NEW SHARE OPTION SCHEME**

Subject to the Board exercising its right under the Rules to terminate the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted. The provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the expiry of the 10-year period and which are at that time or become thereafter capable of exercise under the Rules, or otherwise to the extent as may be required in accordance with the provisions of the New Share Option Scheme.

**21. CONDITIONS**

The New Share Option Scheme will be conditional on:

- (A) the passing of an ordinary resolution to adopt the New Share Option Scheme by the Shareholders; and

- (B) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of the Options in accordance with the terms of the New Share Option Scheme.

## **22. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

A grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of:

- (A) the date of the Board meeting for the approval of the Company's interim or annual results; and
- (B) the deadline for the Company to publish its interim or annual results announcement, and ending on the date of the results announcement.

The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

## **23. RESTRICTIONS ON GRANT OF OPTIONS TO DIRECTORS, CHIEF EXECUTIVES OR SUBSTANTIAL SHAREHOLDERS ETC.**

Each grant of Options to a Participant who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the Independent Non-Executive Directors of the Company (excluding any Independent Non-Executive Director who is the proposed grantee of the Options).

Where any grant of Options to a Substantial Shareholder or an Independent Non-Executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted under the New Share Option Scheme (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (A) representing in aggregate over 0.1% of the Shares in issue; and
- (B) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options by the Board must be approved by the Shareholders in general meeting (the vote on such approval to be taken on a poll). Any Shareholder who is a Connected Person of the Company must abstain from voting in favour of the resolution to approve such further grant of Options.

A Shareholders' circular must be prepared by the Company explaining the proposed grant, disclosing the number and terms of the Options to be granted and containing the recommendation from the Independent Non-Executive Directors (excluding any Independent Non-Executive Director who is the grantee of the Option) as to voting and any other information as required under the Listing Rules.

Any change in the terms of Options granted to Substantial Shareholders or Independent Non-Executive Directors or any of their respective associates must be approved by the Shareholders in general meeting.

#### **24. ADMINISTRATION**

The Board will have responsibility for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.