



STONE GROUP HOLDINGS LIMITED
四通控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 409)

ANNOUNCEMENT

The Company is pleased to report that a notice of conversion has been received from Ready Finance on 14 September 2007 requesting for the conversion of the principal sum of HK\$42,000,000, being part of the remaining outstanding principal sum of HK\$294,000,000 of the Convertible Notes held by Ready Finance into 55,263,157 new Shares at the conversion price of HK\$0.76 per Share.

Reference is made to the announcement of the Company dated 12 December 2003 and the circular of the Company dated 4 February 2004 under which, among other things, the Convertible Notes were issued by the Company to Ready Finance, which can be converted into Shares.

The Company is pleased to report that a notice of conversion has been received from Ready Finance on 14 September 2007 requesting for the conversion (the "Conversion") of the principal sum of HK\$42,000,000, being part of the remaining outstanding principal sum of HK\$294,000,000 of the Convertible Notes held by Ready Finance into 55,263,157 new Shares at the conversion price of HK\$0.76 per Share.

Upon completion of the Conversion scheduled to take place on 18 September 2007, 55,263,157 new Shares will be allotted and issued by the Company to Ready Finance and Ready Finance will then hold the Convertible Notes in the remaining outstanding principal sum of HK\$252,000,000. Mr. Shi is deemed to be interested in 55,263,157 Shares upon completion of the Conversion and the underlying Shares pursuant to the said Convertible Note by virtue of his sole beneficial shareholding in Ready Finance and Mr. Shi is also interested in 5,000,000 underlying Shares pursuant to the share options previously granted to him under the share option scheme of the Company, collectively representing in aggregate a shareholding interest of approximately 21.30% in the issued capital of the Company as enlarged by the allotment and issuance of new Shares pursuant to the Conversion.

DEFINITION

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| “Company” | Stone Group Holdings Limited, the Shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited; |
| “Convertible Notes” | Convertible notes in the aggregate principal sum of HK\$571,955,403 issued by the Company to Ready Finance; |
| “Director(s)” | The director(s) of the Company; |
| “Mr. Shi” | Mr. SHI Yuzhu, the executive Director; |
| “Ready Finance” | Ready Finance Limited, a company incorporated in the British Virgin Islands which is wholly and beneficially owned by Mr. Shi; and |
| “Shares” | Share(s) of HK\$0.10 each in the capital of the Company |

As at the date of this announcement, the Board of the Company comprises ten directors, of whom Messrs. DUAN Yongji, SHI Yuzhu, SHEN Guojun, CHEN Xiaotao, ZHANG Disheng and Ms. LIU Wei are executive Directors and Messrs. NG Ming Wah, Charles, Andrew Y.YAN, LIU Ji and LIU Jipeng are independent non-executive Directors.

By Order of the board
Stone Group Holdings Limited
DUAN Yongji
Chairman

Hong Kong, 14 September 2007