



四通控股有限公司
STONE GROUP HOLDINGS LIMITED

PRESS RELEASE

FOR IMMEDIATE RELEASE

Executive Director Mr. Shi Yuzhu Converts the Convertible Notes in the principal sum of HK\$42,000,000 into 55,263,157 Stone Shares

***Strengthens Stone's Liquidity Position
Reflects Confidence in Stone's Future Development***

(Hong Kong, 14 Sep 2007) – Stone Group Holdings Limited (SEHK: 409) (“Stone” or “the Group”) today announced that Mr. Shi Yuzhu, Executive Director of the Group, has issued a notice requesting conversion of convertible notes in the sum of HK\$42,000,000, held by Ready Finance Limited, into 55,263,157 shares of Stone at a conversion price of HK\$0.76 per share on September 14. Ready Finance Limited is beneficially owned by Mr. Shi. Upon completion of the conversion, Mr. Shi will hold approximately 3.00% of the total issued shares in the Group and hold the convertible notes through Ready Finance Limited in the sum of HK\$252,000,000, which will mature on 3 March 2009. Moreover, Mr. Shi holds share options for 5,000,000 shares of Stone.

Mr. Shi joined Stone in August 2004. He is currently an Executive Director and responsible for the strategic decision of the Group's healthcare products business. “The Group's operations have been improving significantly in recent years, and there is huge potential in two of its core businesses, namely Healthcare Products and IT Electronic & Media-related business. My initiative to convert part of my convertible notes into Stone shares represents an important vote for the future of Stone. I will continue to support Stone's development, and to contribute to the growth of Stone, along with other shareholders and the management,” said Mr. Shi.

Upon completion of the conversion, the gearing ratio of the Group will drop from 29.2% to 27.1%. In addition, its fully diluted net asset value per share will decrease by approximately 1.3% and total share capital will increase to 1,839 million shares.

‘We are delighted that Mr. Shi will increase his equity interest in Stone by converting convertible notes into shares. The conversion will lower the gearing ratio of the Group,

strengthen its liquidity position as a whole, and provide new momentum for our future development. We will continue to enhance the quality of our business growth, so as to offer better returns for our shareholders,” said Mr. Duan Yongji, CEO of Stone.

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About Stone Group Holdings Limited

Stone Group Holdings Limited (Stock code: 409), is a company listed on the Hong Kong Stock Exchange. It is principally engaged in IT electronic & media – related business, healthcare products business and investment business.

The Company's IT Electronic & Media – related business includes the manufacture and distribution of traditional electronic products such as dot matrix printers and value-added tax control machines with patented intellectual property, and also as the agency and distributor of industrial controllers, uninterrupted power system equipment, digital graphics, semiconductors, computers, etc. Product coverage includes SIEMENS and FUJI. Its healthcare products include "Naobaijin" and "GoldPartner" products, which are among the best-selling healthcare products in the PRC. In mid-2006, the Company has begun trial sales of the new product "Huangjin Xuekang". Investment business includes holding equity interests in Sina, China Cable Media Group Ltd and Me to You Holdings Limited.

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For further enquiries, please contact

Ms Zhu Yan Lan / Ms Fiona Tong
Stone Group Holdings Limited
Tel: 2579-1166 / 2115-6347
Fax: 2880-5573
E-mail: investor@stone.com.hk

Mr Paul Sham / Ms Eva Shi
Ketchum Hong Kong
Tel: 3141-8068 / 3141-8122
Fax: 2510-8199
E-mail: paul.sham@kmprhk.com;
eva.shi@knprhk.com