

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

(Warrant Code: 1535)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RESUMPTION OF TRADING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Styland Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 12 August 2015, 7 December 2015 and 18 January 2016 (the “**Announcements**”) relating to, among other things, the entering into of the Memorandum of Understanding between the Company and the Subscriber and the supplemental agreements between the Company and the Subscriber to extend the exclusivity period and the period to enter into the formal agreement. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

LAPSE OF THE PREVIOUS MEMORANDUM OF UNDERSTANDING

The Board wishes to announce that the original Memorandum of Understanding has been lapsed in accordance with its terms on 30 March 2016.

THE MOU

Subsequent to the lapse of the previous Memorandum of Understanding and after arm’s length negotiations, on 1 April 2016, Mr. Cheung Chi Shing (“**Mr. Cheung**”), the Company and the Subscriber entered into a memorandum of understanding (the “**MOU**”). As at the date of this announcement, Mr. Cheung himself and through his spouse and corporations

* *For identification purpose only*

controlled by him in aggregate hold 904,650,463 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”), representing approximately 20.78% of the existing issued share capital of the Company and 180,930,092 listed warrants of the Company (the “**Warrants**”), which in aggregate representing approximately 21.11% of the enlarged issued share capital of the Company on the assumption that all the outstanding Warrants were exercised. To the best of the Directors’ knowledge, information and belief, Mr. Cheung Hoo Yin, who is Mr. Cheung’s son, also holds 252,247,456 Shares, representing approximately 5.79% of the existing issued share capital of the Company and 50,449,491 Warrants as at the date of this announcement which in aggregate representing approximately 5.89% of the enlarged issued share capital of the Company on the assumption that all the outstanding Warrants were exercised. Those 904,650,463 Shares and 180,930,092 Warrants held by Mr. Cheung himself and through his spouse and corporations controlled by him, together with the Shares and Warrants held by Mr. Cheung Hoo Yin, represent all the relevant securities of the Company held by Mr. Cheung and his concert parties as at the date of this announcement. Accordingly, as at the date of this announcement, Mr. Cheung and his concert parties in aggregate hold 1,156,897,919 Shares, representing approximately 26.58% of the existing issued share capital of the Company and 231,379,583 Warrants, which in aggregate representing approximately 26.99% of the enlarged issued share capital of the Company on the assumption that all the outstanding Warrants were exercised.

Pursuant to the MOU, (i) the Subscriber intends to acquire the Sale Securities (as defined below) and Mr. Cheung intends to sell such Shares and Warrants held by himself and his spouse and corporations controlled by him (the “**Sale Securities**”) to the Subscriber (the “**Possible Transfer**”); and (ii) the Company intends to allot and issue certain new Shares (the “**Subscription Shares**”) to the Subscriber and the Subscriber intends to subscribe for the Subscription Shares (the “**Possible Subscription**”). It is contemplated that upon completion of the Possible Transfer and the Possible Subscription, there will be a change in control of the Company. In accordance with the requirement of the Takeovers Code, if the Possible Transfer and the Possible Subscription materialize and are completed, that will trigger an obligation on the part of the Subscriber and parties acting in concert with it to make a mandatory unconditional general offer for all the issued Shares and Warrants (other than those already owned or agreed to be acquired by the Subscriber) under Rule 26.1 of the Takeovers Code.

As at the date of this announcement, the Subscriber has appointed Guotai Junan Capital Limited as its financial adviser to provide assistance to the Subscriber in the Possible Transfer and the Possible Subscription.

Formal Agreement(s)

The Possible Transfer and the Possible Subscription are subject to the execution and completion of the relevant formal agreements (the “**Formal Agreements**”). The Subscriber, the Company and Mr. Cheung will proceed with further negotiation for entering into the Formal Agreements on or before 31 July 2016 (the “**Long Stop Date**”) or such later date as may be agreed by the parties thereto.

It is contemplated that the Formal Agreements shall include the following conditions precedent (and such other conditions precedent as may be agreed by the parties):—

- (a) the passing of necessary resolutions by the shareholders (or the independent shareholders (if applicable)) of the Company at the special general meeting to approving the allotment and issue of the Subscription Shares, which would also be conditions precedent of the Possible Transfer;
- (b) the Stock Exchange granting the listing approval for the listing of, and permission to deal in, the Subscription Shares;
- (c) the approval by the Securities and Futures Commission in relation to the indirect change of substantial shareholder of relevant subsidiary of the Company which is/are licensed corporations; and
- (d) such other conditions precedent as to be mutually agreed by the parties and set out in the Formal Agreements.

Exclusivity

Pursuant to the MOU, unless with prior written consent of the Subscriber, the Company will not, until the Long Stop Date (or such later date to be agreed by the parties thereto), negotiate or procure its Directors, officers, employees, representatives and agents to negotiate, directly or indirectly, with any party (other than the Subscriber) for the issue, disposal or deal with the Shares or any other securities or significant assets of the Company.

Pursuant to the MOU, unless with prior written consent of the Subscriber, Mr. Cheung will not, until the Long Stop Date (or such later date to be agreed by the parties thereto), negotiate or procure his spouse and his controlled corporations and the respective directors, officers, employees, representatives and agents to negotiate, directly or indirectly, with any party (other than the Subscriber) for the disposal, deal with, create any encumbrance over any of the Sale Securities or enter into any agreement(s) with the Company in relation to any disposal, restructuring, mergers and acquisitions of the assets, operations and/or indebtedness of the Company.

Non-legally binding MOU

The MOU is not legally binding, save for certain general provisions which comprise confidentiality, exclusivity, due diligence, the access to information by the Subscriber, notice and communication, costs and expenses, the governing law of the MOU, the authorization by the Board to enter into the MOU and counterparts.

The Possible Transfer and the Possible Subscription is therefore subject to the execution and completion of the Formal Agreements. If the Formal Agreements materialize, the Company will comply with the relevant requirements under the Listing Rules and the Takeovers Code as and when appropriate.

POSSIBLE GENERAL OFFER FOR THE SHARES AND THE WARRANTS AND TAKEOVERS CODE IMPLICATIONS

Subject to the Formal Agreements being entered into and the satisfaction or waiver (as the case maybe) of such conditions precedent to completion as may be specified therein, it is contemplated that upon completion of the Possible Transfer and the Possible Subscription, the Subscriber will hold a controlling stake in the Company. In accordance with the requirement of the Takeovers Code, if the Possible Transfer and the Possible Subscription materialize and are completed, that will trigger an obligation on the part of the Subscriber and parties acting in concert with it to make a mandatory unconditional general offer for all the issued Shares and Warrants (other than those already owned or agreed to be acquired by the Subscriber) under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no Formal Agreement(s) had been entered into in respect of the Possible Transfer and/or the Possible Subscription and the negotiations are still in progress and the Possible Transfer and/or the Possible Subscription may or may not proceed.

As at the date of this announcement, the Company has 4,353,004,483 Shares in issue and 789,747,200 Warrants in issue and does not have any other outstanding convertible securities, options and warrants. Save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer under the Takeovers Code is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commences on the date of this announcement, being 1 April 2016.

The associates (as defined in the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company and the Subscriber as well as its associates (as defined in the Takeovers Code) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients

are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

There is no assurance that the Possible Transfer and/or the Possible Subscription or any transactions referred to in this announcement will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code. Shareholders and potential investors of the Company should be aware that the completion of the Possible Transfer and/or the Possible Subscription is subject to the Formal Agreements being entered into and the satisfaction (or, as the case may be, waiver) of such conditions precedent to completion as may be specified therein. The negotiation in relation to the Possible Transfer and/or the Possible Subscription and the possible general offer arising from the Possible Transfer and/or the Possible Subscription may or may not proceed, and the terms of the Possible Transfer and the Possible Subscription are subject to further negotiations between Mr. Cheung, the Company and the Subscriber. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the Warrants on the Stock Exchange has been halted with effect from 9:00 a.m. on 31 March 2016 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 5 April 2016.

By order of the Board
STYLAND HOLDINGS LIMITED
Ng Yiu Chuen
Executive Director

Hong Kong, 1 April 2016

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

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.