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

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

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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

Directors:

Executive Directors:

Mr. Cheung Hoo Win (*Chief Executive Officer*)
Mr. Ng Yiu Chuen
Ms. Mak Kit Ping
Ms. Zhang Yuyan
Ms. Chen Lili

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent non-executive Directors:

Mr. Zhao Qingji (*Chairman*)
Mr. Yeung Shun Kee
Mr. Li Hancheng
Mr. 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

16 February 2015

To the Shareholders:

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

PARTICULARS OF THE INTERIM DIVIDEND

On 25 November 2014, Styland Holdings Limited (the “**Company**”) announced that the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company declared an interim dividend of HK0.2 cent per share of HK\$0.01 each in the issued share capital of the Company

* For identification purposes only

(each a “Share”) for the six months ended 30 September 2014 (the “2015 Interim Dividend”) to the shareholders of the Company (the “Shareholder(s)”) whose names appeared on the register of members of the Company on 5 February 2015 (the “Record Date”), and that the Shareholders would be given the option to receive new share(s) of HK\$0.01 each (the “New Share(s)”) in the capital of the Company in lieu of cash in respect of part or all of such dividend (the “Scrip Dividend Scheme”). The register of members of the Company was closed from 3 February 2015 to 5 February 2015, both days inclusive, during which no transfer of shares was registered. The last date on which the transfers were accepted for registration for participation in the Scrip Dividend Scheme was 2 February 2015.

The purpose of this circular is to give you further information on the Scrip Dividend Scheme and to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

Shareholders have the following choices in respect of the 2015 Interim Dividend:

- (a) to receive a cash dividend of HK0.2 cent per Share; or
- (b) to be allotted with New Share(s) at HK\$0.22 per New Share credited as fully paid and having an aggregate discounted market value (as determined by the discounted market value stated below) equal to the total amount of the 2015 Interim Dividend which such Shareholder would otherwise receive in cash (New Share(s) will be allotted by way of capitalization of distributable reserves to the Shareholders electing to receive New Shares in lieu of cash dividend); or
- (c) to receive the 2015 Interim Dividend partly in cash and partly in New Share(s).

The number of New Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Scheme would be calculated by reference to the discounted market value of HK\$0.22 which represents approximately 90% of the average closing prices per Share of the Company quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five consecutive trading days from 30 January 2015 to 5 February 2015 (both dates inclusive). Accordingly, the number of New Shares that the Shareholders will receive in respect of their shareholdings on the Record Date under the Scrip Dividend Scheme will be calculated as follows:

$$\text{Number of New Shares to be Received} = \frac{\text{Number of Shares held on the Record Date for which election is made}}{\text{Date for which election is made}} \times \frac{\text{HK\$0.002}}{\text{HK\$0.22}}$$

Based on 3,863,229,024 Shares in issue as at the Record Date and on the assumption that all Shareholders elect to receive their 2015 Interim Dividend entitlements in New Shares, not more than 35,120,263 New Shares will be issued under the Scrip Dividend Scheme. The New Shares to be issued will, when issued, rank *pari passu* in all respects with the existing Shares on the date of issue, except that they will not be entitled to the 2015 Interim Dividend. The number of New Shares to be allotted to each Shareholder (other than those who elect to receive their full entitlement to the 2015 Interim Dividend in cash) will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will not be issued to the Shareholders but will be aggregated for the benefit of the Company.

FORM OF ELECTION

A form of election is enclosed with this circular for use by the Shareholders who wish to receive the 2015 Interim Dividend wholly in the form of New Shares or partly in cash and partly in the form of New Shares.

Shareholders who wish to receive New Shares in lieu of cash in respect of the 2015 Interim Dividend, whether in whole or in part, should complete and sign the form of election in accordance with the instructions printed thereon and the duly completed and signed form of election must reach the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 9 March 2015. No acknowledgement of receipt of the form of election will be issued.

Shareholders who wish to receive the 2015 Interim Dividend wholly in form of cash should not complete the form of election.

No form of election will be sent to any shareholder who has made earlier a permanent election to receive cash or new shares for any future dividend payable by the Company. Any such shareholder wishing to change his/her existing permanent election for cash or new shares must give at least seven days' notice in writing before 9 March 2015 (i.e. on or before 2 March 2015) to Tricor Tengis Limited at the address stated above.

If you do not return the form of election to the above address before the time stated above, you will receive your 2015 Interim Dividend wholly in cash.

Shareholders who submit a form of election but do not specify the number of Shares in respect of which they are electing to receive an allotment of New Shares, or if they elect to receive New Shares in respect of a greater number of Shares than their registered holding, they will be deemed to have chosen to receive New Shares in respect of all the Shares of which they were then registered as the holders on the Record Date.

The closing time for the return of the form of election will be extended, as the case may be, in accordance with (a) or (b) below if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any time before 12:00 noon on 9 March 2015. The closing time for the return of the form of election will be extended to 5:30 p.m. on the same business day; or
- (b) in force in Hong Kong at any time between 12:00 noon and 4:30 p.m. on 9 March 2015. The closing time for the return of the form of election will be extended to 4:30 p.m. on the next business day where none of the above warning is in force at any time between 9:00 a.m. and 4:30 p.m.

OVERSEAS SHAREHOLDERS

None of this circular, the form of election or the New Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction outside Hong Kong. The participation in the Scrip Dividend Scheme by overseas Shareholders may be restricted by the laws of their relevant jurisdictions. No Shareholders receiving a copy of this document and/or a form of election in any territory outside Hong Kong may treat the same as an invitation to elect

for New Shares unless in the relevant territory such invitation could lawfully be made to him/her without having to comply with any unfulfilled registration or other legal, regulatory and governmental requirements. Shareholders with registered addresses outside Hong Kong should consult their own professional advisers as to whether or not they are permitted to receive the 2015 Interim Dividend in the form of an issue of New Shares or if any governmental or other consent is required or other formalities which need to be observed and whether there are any other restrictions in relation to the future sale of any New Shares so acquired. Overseas Shareholders residing in jurisdiction where it would be illegal for them to participate in the Scrip Dividend Scheme will be deemed to have received this circular for information purposes only.

The Company has been advised that under present Bermuda law, there are no taxes on profits, income or dividends, nor is there any capital gains tax, estate duty or death duty. In addition, the Bermuda government has enacted legislation under which the Minister is authorised to give an assurance to an exempted company or a partnership that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income or computed on any capital asset, gain or appreciation, then the imposition of any such tax shall not be applicable to such entities or any of their operations. There may be included an assurance that any such tax or any tax in the nature of estate duty or inheritance tax, shall not be applicable to the shares, debentures or other obligations of such entities.

As at the Record Date, the Company had a total of 19 overseas Shareholders who resided in the Macau Special Administrative Region of the People's Republic of China (the "PRC"), Canada, the PRC, Malaysia, Australia, Taiwan and the United States of America respectively. The Company has sought legal advice from counsels in these jurisdictions in relation to the legality of including these overseas Shareholders in the Scrip Dividend Scheme as required under Rule 13.36 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Since registration or filing or other procedures or formalities, subject to certain exceptions, are required to be carried out in relation to the Scrip Dividend Scheme to comply with the relevant securities legislation or regulation in Canada, the Board is of the view that the exclusion of the Shareholder who resided in Canada (the "Canada Shareholder") from the scrip alternative to elect to receive the 2015 Interim Dividend wholly or partly by allotment of New Shares credited as fully paid in lieu of cash under the Scrip Dividend Scheme is necessary or expedient. Therefore, the Scrip Dividend Scheme will be extended to the Canada Shareholder to the extent that only cash will be distributed to him without a scrip alternative to elect to receive the 2015 Interim Dividend wholly or partly by allotment of New Shares credited as fully paid in lieu of cash. This circular will be deemed to have been sent to the Canada Shareholder for information purposes only. For the avoidance of doubt, save and except for the Canada Shareholder, all other overseas Shareholders will be entitled to participate in the Scrip Dividend Scheme. It is the responsibility of the Shareholders (including the overseas Shareholders) to observe those domestic legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the New Shares under the Scrip Dividend Scheme.

STOCK EXCHANGE LISTING AND DESPATCH OF SHARE CERTIFICATES

Application will be made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the New Shares to be issued pursuant to the Scrip Dividend Scheme. The Scrip Dividend Scheme is conditional upon listing approval being granted by the Listing Committee of the Stock Exchange in respect of the New Shares to be issued pursuant thereto.

No equity or debt securities of the Company are listed or dealt in on any other stock exchange nor is listing or permission to deal in on any other stock exchange being or proposed to be sought. The relevant dividend warrants and/or share certificates for the New Shares will be posted to the Shareholders entitled thereto at their own risk on or around 10 April 2015. It is expected that dealings in the New Shares will commence on 13 April 2015. In the unlikely event that New Shares are not admitted to listing before 13 April 2015, the form of election will be disregarded and the 2015 Interim Dividend will be paid in full in cash in the usual way.

ADVANTAGES OF SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give Shareholders the opportunity to increase their investment in the Company as provided above, without incurring brokerage fees and stamp duty costs. The Scrip Dividend Scheme will also benefit the Company because, to the extent that the Shareholders elect to receive New Shares, whether in whole or in part, in respect of the 2015 Interim Dividend, such cash which would otherwise have been paid to the Shareholders will be retained for use by the Company.

DISCLOSURE OF INTERESTS

Shareholders should note that an acquisition of New Shares under the Scrip Dividend Scheme may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own independent professional advice.

RESPONSIBILITY STATEMENT

This document, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

GENERAL

Whether or not it is to your advantage to elect to receive your 2015 Interim Dividend in New Shares or cash, whether in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your licensed securities dealer, bank manager, solicitor, professional accountants or other independent professional adviser.

Yours faithfully,
By Order of the Board
STYLAND HOLDINGS LIMITED
Zhao Qingji
Chairman