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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

14 September 2015

To the Shareholders:

Dear Sir or Madam,

DISTRIBUTION OF DIVIDEND IN THE FORMS OF CASH AND/OR SCRIP SHARES

INTRODUCTION

By the announcement dated 18 June 2015, the board (the “**Board**”) of directors (the “**Directors**”) of Styland Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announced the final results of the Group for the year ended 31 March 2015 and

* *For identification purpose only*

recommended, among other matters, the payment of a final dividend (the “**Final Dividend**”) of HK0.238 cents per share (each a “**Share**”) of HK\$0.01 each in the share capital of the Company by way of cash with an option to elect to receive wholly or partly an allotment and issue of new Shares (the “**Scrip Shares**”), credited as fully paid, in lieu of cash payment (the “**Scrip Dividend Scheme**”). The Final Dividend is payable to the Qualifying Shareholders (as defined below) of the Company whose names appeared on the register of members of the Company on 28 August 2015 (the “**Record Date**”).

At the annual general meeting of the Company held on 20 August 2015, the Final Dividend and the Scrip Dividend Scheme were approved by the shareholders of the Company (the “**Shareholders**”).

SCRIP DIVIDEND SCHEME

Particulars of the Scrip Dividend Scheme

Under the Scrip Dividend Scheme, each Qualifying Shareholder has an option to elect to receive the Final Dividend:

- (a) by way of cash payment; or
- (b) by way of an allotment and issue of the Scrip Shares; or
- (c) by way of a combination of (a) and (b) above.

The number of Scrip Shares to be allotted and issued to a Qualifying Shareholder who elects either (b) or (c) above will be calculated with reference to the amount arrived at by dividing the total amount of the Final Dividend which he/she/it elects to be made payable to him/her/it by way of Scrip Shares by the average closing price of the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days ended 28 August 2015 less a discount of 10% of such average closing price or the par value of the Shares, whichever is the higher.

The Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the Final Dividend. In particular, they will rank in full for all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Scrip Shares.

Basis of Allotment and Issue of Scrip Shares

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price per Scrip Share has been fixed by the Directors at HK\$0.3132 per Share (the “**Discounted Average Closing Price**”) after taking into account a 10% discount to HK\$0.348, being the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended 28 August 2015.

Accordingly, the number of Scrip Shares which each Qualifying Shareholder is entitled to receive under the Scrip Dividend Scheme in respect of the Shares registered under their names on the Record Date will be calculated by the following formula:

$$\begin{array}{rcccl} \text{Number of Scrip} & & \text{Number of Shares held on} & & \text{HK\$0.00238} \\ \text{Shares to be received} & = & \text{the Record Date for which the} & \times & \text{(Final Dividend} \\ & & \text{Final Dividend is to be satisfied} & & \text{per Share)} \\ & & \text{in Scrip Shares} & & \hline & & & & \text{HK\$0.3132} \\ & & & & \text{(Discounted Average} \\ & & & & \text{Closing Price)} \end{array}$$

If all Qualifying Shareholders elect to receive the Final Dividend in Scrip Shares, based on 4,262,313,239 Shares in issue as at the close of business on the Record Date, the maximum number of Scrip Shares which may fall to be issued under the Scrip Dividend Scheme will be 32,389,225 Shares, representing approximately 0.76% of the existing issued share capital of the Company and approximately 0.75% of the issued share capital of the Company as enlarged by the issue of the Scrip Shares. If no election for the Scrip Shares were received, the total cash dividend payable by the Company would be approximately HK\$10,144,305.

The number of Scrip Shares to be allotted and issued will be rounded down to the nearest whole number of Scrip Shares and no Qualifying Shareholder is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fractional entitlements to the Scrip Shares will be aggregated and sold for the benefit of the Company.

Overseas Shareholders

None of this circular, the form of election or the Scrip 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 Scrip Shares unless in the relevant territory such invitation could lawfully be made to him/her without having to comply with any 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 Final Dividend in the form of an issue of Scrip 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 Scrip Shares so received. 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.

As at the Record Date, the Company had a total of 18 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 (the "USA") respectively. The Company has made enquires pursuant to Rule 13.36 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in relation to the legality of including these overseas Shareholders in the Scrip Dividend Scheme. 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 from the scrip alternative to elect to receive the Final Dividend wholly or partly by allotment of Scrip 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 Shareholder in Canada to the extent that only cash will be distributed to him/her without a scrip alternative to elect to receive the Final Dividend wholly or partly by allotment of Scrip Shares credited as fully paid in lieu of cash. This circular will be deemed to have been sent to the Shareholder in Canada for information purposes only. For the avoidance of doubt, save and except for the Shareholder in Canada, all other overseas Shareholders and Shareholders whose registered address are in Hong Kong will be entitled to participate in the Scrip Dividend Scheme (the “**Qualifying Shareholders**”). 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 Scrip Shares under the Scrip Dividend Scheme.

Advantages of the Scrip Dividend Scheme

The Scrip Dividend Scheme will give Qualifying 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 Qualifying Shareholders elect to receive Scrip Shares, whether in whole or in part, in respect of the Final Dividend, such cash which would otherwise have been paid to the Qualifying Shareholders will be retained for use by the Company.

Form of Election

Enclosed with this circular is a form of election. No action is required if you wish to receive the Final Dividend to which you are entitled wholly in cash.

If you wish to elect to receive the Final Dividend either wholly or partly in Scrip Shares, you must complete the form of election in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong **no later than 4:30 p.m. on Wednesday, 30 September 2015**. No acknowledgement of receipt of the form of election will be issued.

Please note that if you sign the form of election but do not specify the number of Shares in respect of which you wish to receive your Final Dividend in Scrip Shares or, if you elect for payment of the Final Dividend in Scrip Shares in respect of a greater number of Shares than your registered holding of Shares, then in either case you will be deemed to have exercised your election for Scrip Shares in lieu of cash in respect of all the Shares registered in your name.

If you do not complete and return the form of election before the time and in the manner stated above, you will receive the whole of your Final Dividend in cash.

Listing of the Scrip Shares and Despatch of Certificates of the Scrip Shares

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. No part of the Company's securities is listed or dealt in on any other stock exchange except the Stock Exchange, and no such listing or permission to deal is being, or is proposed to be sought. Subject to the Scrip Shares being admitted to listing, it is expected that certificates for the Scrip Shares will be posted to the Qualifying Shareholders at their own risk on or about **Thursday, 15 October 2015**. On this basis, dealings in the Scrip Shares are expected to commence on or about **Friday, 16 October 2015**.

Recommendation and Advice

Whether or not it is to your advantage to receive the Final Dividend wholly in cash or in Scrip Shares or partly in cash and partly in Scrip Shares depends upon your own individual circumstances and on the movement of the Company's share price in the market. The decision in this regard and all consequences resulting therefrom are the sole responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your own professional adviser. This applies particularly to the Qualifying Shareholders who are trustees, who are recommended to seek professional advice as to whether they have the powers to make any relevant election and as to the effect of the election having regard to the terms of the relevant trust instrument.

Disclosure of Interests

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

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