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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 211)

DISCLOSEABLE TRANSACTION AND DISCLOSURE REQUIREMENT UNDER RULE 13.13, 13.14 AND 13.16 OF THE LISTING RULES

FINANCIAL ASSISTANCES AND ADVANCES TO ENTITIES AND AN AFFILIATED COMPANY

The Directors announce the details of the Group's Financial Assistances to its clients, which individually exceeds 5% but less than 25% of New Market Capitalization of the Group and constitutes a disclosure transaction under the Rules 14.06(2). Pursuant to the Rules 13.13, 13.14 and 13.16, the Directors also announce the Group's advances to entities and an affiliated company, which respectively exceeds 8% of Market Capitalization and/or increases more than 3% from that previously disclosed since the Report Date and gives rise to a general disclosure obligation.

Financial assistances

The Company, through its subsidiaries, Ever-Long Capital Limited and Ever-Long Securities Company Limited (together "Ever-Long") engages in securities dealings and brokering and financing business. The following were the Financial Assistances to the clients of Ever-Long which were classified as notifiable transactions after the Rules became effective on the Report Day.

Name of clients	Transaction date	Nature	HKD	Interest rate	Security	Market value of security on transaction date HKD
Topform (Asia) Limited	8 April 2004	Margin loan	3,448,000	3% over Prime Rate (Note 1)	Listed shares	10,366,000
Right Choice Securities Limited ("Right Choice")	29 April 2004	Margin loan	2,505,000	3% over Prime Rate (Note 1)	Listed shares	Note 2
Right Choice	6 May 2004	Margin loan	2,452,000	3% over Prime Rate (Note 1)	Listed shares	Note 2
Rosewood Assets Limited ("Rosewood")	1 June 2004	Margin loan	5,229,000 (Note 3)	4% over Prime Rate	Listed shares	Note 3
Fanway Investment Group Limited	10 June 2004	Margin loan	2,501,000	8% over Prime Rate	Listed shares	5,218,000
Mr. Chan	23 June 2004	Margin loan	2,926,000 (Note 4)	3% over Prime Rate (Note 1)	Listed shares	Note 4
Ms. Chan	21 July 2004	Margin loan	2,839,000	3% over Prime Rate (Note 1)	Listed shares	4,788,000
Victorious Ltd.	24 September 2004	Margin loan	2,525,000	3% over Prime Rate (Note 1)	Listed shares	8,340,000

Note:

- (1) The interest rate will be changed to 6% plus Prime Rate if the client fails to pay any deposits or margins or other sums payable to Ever-Long.
- (2) Right Choice kept to repay the margin loan and its outstanding balance decreased to HK\$826,000 on 4 May 2004. In view of that, Ever-Long granted it additional Financial Assistances of HK\$2,452,000 up to 6 May 2004. Right Choice placed listed shares with a market value of HK\$16,111,000 (as at 6 May 2004) as the security for all its Financial Assistances from Ever-Long.
- (3) Rosewood had maintained an outstanding balance of HK\$8,410,000 to Ever-Long since the Report Date which was disclosed under the section headed "Advances to entities". Its outstanding balances frequently fluctuated over the period from Report Day to the Latest Practicable Date. On 1 June 2004 the balance reached its maximum of HK\$13,639,000. The securities in form of listed shares placed by Rosewood was valued at HK\$64,748,000.
- (4) From Report Day to 23 June 2004, Ever-Long granted a sum of HK\$2,926,000 to Mr. Chan, from whom an outstanding balance of HK\$5,931,000 had been due since the Report Day. On the transaction day, the market value of the listed shares deposited by Mr. Chan was HK\$28,682,000.

All the Financial Assistances were granted based on assessment results of financial assessments of, repayment records of and the liquidity of collaterals placed by the clients and the interest rates were also determined thereon. The Directors including the independent non-executive directors are of the view that granting of Financial Assistances to above clients will expand the revenue resources of the Group and believe that they are fair and reasonable and in the interests of the shareholders as a whole. The Financial Assistances will be repayable on demand once they fail to pay any deposits or margins or other sums payable to the Ever-Long.

The above-mentioned clients (entities) are investment companies and are independent third parties to the Company and not connected with the directors, chief executive

or substantial shareholders of the Company and subsidiaries or their respective associates (as defined in the Rules).

All Financial Assistances, individually, exceeds 5% but less than 25% of the New Market Capitalization, will constitute a discloseable transaction under the Chapter 14.06(2) of the Rules. A circular will be despatched to shareholders for their information as soon as possible, in any event within 21 days after the publication of this announcement.

Advances to entities

As at the Report Day, the outstanding amounts due from the entities were as follows:

Name of clients	Nature	HKD	Interest rate	Repayment terms	Security	Market value of security at Report Day HKD
Rosewood	Margin loan	8,410,000	4% over Prime Rate	(Note 1)	Listed shares	55,621,000
Dynamic Rich Limited ("Dynamic") (Note 2)	Margin loan	7,286,000	3% over Prime Rate (Note 3)	(Note 1)	Listed shares	57,021,000
Rich Delta Development Limited ("Rich Delta")	Term loan	34,908,000	18% per annum.	Overdue on 17 December 2002	Listed shares	Note 4
Rich Delta	Term loan	3,735,000	5% over Prime Rate	Overdue on 9 May 2003	Listed shares	Note 4

Note:

- (1) The Financial Assistances will be repayable on demand once they fail to pay any deposits or margins or other sums payable to the Ever-Long.
- (2) Ever-Long also granted a margin finance of HK\$309,000 to a director of Dynamic as at the Report Day and secured by listed shares with market value of HK\$2,837,000 on the same day.
- (3) Once the client fails to pay any deposits or margins or other sums payable to Ever-Long, the interest rate will be charged to 6% plus Prime Rate.
- (4) Other than the Financial Assistances to Rich Delta, Ever-Long also provided term loans of HK\$1,013,000 to its beneficial owner. The market value of listed shares pledged by Rich Delta at the Report Day was approximately HK\$50,575,000 and covered the term loans to it and the beneficial owner. The Group has sent repayment reminders to Rich Delta and a bad debt provision of HK\$22,100,000 has made.

All the outstanding amounts, individually, exceeds 8% of Market Capitalization, which will give rise to a general disclosure obligation under Rules 13.13.

From Report Day to the Latest Practicable Date, Ever-Long arranged additional Finance Assistances of HK\$405,000 for Dynamic, from which company an outstanding balance of HK\$7,286,000 had been due as mentioned above. The additional Financial Assistances to Dynamic are on the same terms as those granted to it before. As the Ever-Long has obtained sufficient collaterals, no extra security was demanded. The Financial Assistances represent 3% increase from the balance disclosed above, which constitutes a general disclosure obligation under Rules 13.14.

All above entities are third parties independent of the Company and not connected with the directors, chief executive or substantial shareholders of the Company and subsidiaries or their respective associates (as defined in the Rules).

Advance to an affiliated company

As at Report Day, the net amount due from a joint venture in Wuhan, PRC, Wuhan Dongsheng Highway Building Development Company Limited (“Dongsheng”), was HK\$18,148,000, representing 40% of Market Capitalization; therefore a general disclosure obligation will arise under Rules 13.16.

Due to a legal proceedings against Sheng Da Investment Holding (Hong Kong) Limited (“Sheng Da”), a non-wholly owned subsidiary of the Group, by Hainan Wan Zhong Investment Co. Ltd. in Haikou City, Hainan Province, PRC, claiming for repayment of debt in the sum of RMB19,270,000, interest thereon and legal costs, The Court therefore issued a Notice of Assistance in Execution (協助執行通知書) against Dongsheng, in which Sheng Da has 48.67% interest, requesting for freezing dividend to be distributed to Sheng Da up to RMB19,270,000 until the dispute is resolved (For further details, please refer to the Annual Report for the year ended 31 March 2004).

The balance with Dongsheng is interest free and will be used for repayment of a bank loan, which was for financing the investment in Dongsheng.

Reference is also made to the Company’s announcement dated 27 February 2004, in which it announced that as a result of re-location of the toll station, the Group might require to make a substantial provision for its investment in Dongsheng. The Group has been liaising with the Chinese contractual joint venture partner (“CJV Partner”) for compensation on the loss. However, up to the latest practicable day, both parties can still not reach any final decision. As such, an impairment loss of HK\$174.9 million, being the difference between the carrying value of the Group’s interested in Dongsheng and the estimated compensation from the CJV Partner, was made during the year ended 31 March 2004. Further announcement in respect of the progress of negotiation with the CJV Partner will be made in due course.

Other information

As at the date of this announcement, the board of Directors consists of four executive directors, Johnny Wing Fai Tam, Yvonne Han Yi Yeung, Miranda Chi Mei Chan, Suet Ming Ching and three independent non-executive directors, David Man San Lim, Edward Shun Kee Yeung and Chow Pat Kan.

Definitions:

“Company”	Styland Holdings Limited
“Directors”	directors of the Company
“Financial Assistance(s)”	the loan(s) granted under the Group’s securities dealings and brokering and money lending business
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	5 October 2004
“Market Capitalization”	the average market capitalization of approximately HK\$45,657,000 of the Company based on closing prices of 5 consecutive trading days before the Report Day as quoted on the Stock Exchange
“New Market Capitalization”	the average market capitalization of the Company based on closing prices of 5 consecutive trading days before the date to grant new Financial Assistances (after Report Day) as quoted on the Stock Exchange, which were at the range from HK\$46,780,000 to HK\$50,148,000
“Prime Rate”	Hong Kong prime rate per annum.
“Rules”	The Rules of governing the Listing of Securities on the Stock Exchange

“Report Day”
“Stock Exchange”

31 March 2004

The Stock Exchange of Hong Kong Limited

By Order of the Board
STYLAND HOLDINGS LIMITED
Tam Wing Fai, Johnny
Managing Director

Hong Kong, 11 October 2004

** for identification purpose only*

Please also refer to the published version of this announcement in The Standard.