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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF SHAREHOLDING INTEREST IN CITY FAITH INVESTMENTS LIMITED

SUMMARY

The Board is pleased to announce that on 27 October 2009, the Vendor, being a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase (a) the Sale Shares, representing the entire issued share capital of City Faith; and (b) the rights of and benefits in the Sale Loan for an aggregate cash consideration of HK\$25 million.

City Faith is an investment holding company and is the legal and beneficial owner of (a) the entire issued share capital in City Lion; and (b) the Properties. Upon Completion, the Group will cease to hold any interest in City Faith and the City Faith Group will cease to be subsidiaries of the Company.

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM under Rule 14.40 of the Listing Rules. As no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the Disposal at the SGM.

A circular containing, among other things, further details of the Disposal and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

I. THE SALE AND PURCHASE AGREEMENT

Date:

27 October 2009

Parties:

Vendor : Thunderbolt Property Corp., a wholly-owned subsidiary of the Company

Purchaser : Mai Xueqing, a citizen of the People's Republic of China and an Independent Third Party, who is an investor in stocks and properties

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser is an independent third party who is independent of and not connected with the Company and any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. The Group has not been involved in any previous transaction with the Purchaser in the previous 12 months which would otherwise require aggregation with the Disposal pursuant to Rule 14.22 of the Listing Rules.

Assets being disposed of:

- (a) the Sale Shares, representing the entire issued share capital of City Faith; and
- (b) the rights of and benefits in the Sale Loan, being the shareholder's loan owing by the City Faith Group to the Vendor as at the Completion Date, which is estimated to be approximately HK\$9.26 million.

As at the date of the Sale and Purchase Agreement, the City Faith Group owed to the Vendor the shareholder's loan. The Vendor is disposing of its entire interest in City Faith to the Purchaser and the Sale Loan is therefore assigned to the Purchaser at the time of disposal of the Sale Shares.

Cash Consideration:

HK\$25 million in cash in aggregate for the Sale Shares and the Sale Loan, which shall be payable in cash in the following manners:

- (a) HK\$2.5 million, being deposit and in part payment of the Consideration, shall be paid to the Vendor upon signing the Sale and Purchase Agreement; and
- (b) HK\$22.5 million, being the remaining part of the Consideration, shall be paid to the Vendor on Completion.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser having regard to (a) the prevailing market value of the Properties at the time of execution of the Sale and Purchase Agreement; (b) the valuation of the Properties of HK\$22 million as at 31 March 2009 as valued by an independent property valuer using the comparison method where comparison based on prices realised or market prices of comparable property is made (which was used, together with the prevailing market value of the Properties, as a reference in determining the value of the Properties); and (c) the financial position of the City Faith Group as at 31 March 2009. The Board considers the Consideration to be fair and reasonable.

As at the date of this announcement, the Vendor has already received the Deposit from the Purchaser.

Refund and forfeiture:

The Vendor shall refund the Deposit to the Purchaser forthwith upon demand in the event that (a) condition precedent (a) (as detailed below under the heading entitled "Conditions precedent") has not been fulfilled on or before the Long Stop Date; or (b) Completion fails to occur on or before the Completion Date as a result of the default of the Vendor (including but not limited to any breach of the Vendor's Warranties or any of the Vendor's obligations under the Sale and Purchase Agreement).

In the event that Completion fails to occur for any reason other than those set out above, the entire Deposit shall be forfeited by the Vendor as agreed damages provided that nothing contained in the Sale and Purchase Agreement shall in any manner prejudice the Vendor's or the Purchaser's rights to claim damages for loss and damage suffered as a result of the other party's default under the Sale and Purchase Agreement.

Conditions precedent:

Completion of the Sale and Purchase Agreement is conditional in all respects upon:

- (a) the approval of Shareholders at the SGM approving the Sale and Purchase Agreement and the transactions contemplated therein;
- (b) in relation to the transactions contemplated in the Sale and Purchase Agreement, all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong), having been complied with and satisfied;
- (c) the warranties stated in the Sale and Purchase Agreement having remained true and accurate in all material respects;

- (d) good title of the Properties be proven pursuant to section 13 of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and
- (e) vacant possession of the Properties must be verified and delivered upon Completion.

If the above conditions precedent have not been fulfilled by the Vendor or waived by the Purchaser in writing (except conditions precedent (a) and (b) above) at or before 12:00 noon on the Long Stop Date (or such later date as the Vendor and the Purchaser may agree), the Sale and Purchase Agreement shall lapse, whereupon all rights and obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement shall cease to have effect and any Deposit paid shall be dealt with in accordance with the manner described above under the heading entitled “Refund and forfeiture”.

Completion:

Subject to the above conditions precedent having been satisfied (or waived by the Purchaser), Completion shall take place on the Completion Date or at such other time and date as may be agreed by the Vendor and the Purchaser.

II. INFORMATION ON CITY FAITH, CITY LION AND THE PROPERTIES

City Faith:

City Faith is a company incorporated in Hong Kong on 15 August 2001. It is an investment holding company and an indirect wholly-owned subsidiary of the Company. It is the legal and beneficial owner of (a) the entire issued share capital in City Lion; and (b) the Properties. City Faith has no business operation other than its holding of equity interests in City Lion and the Properties.

City Lion:

City Lion was principally engaged in the business of securities trading for the past two years ended 31 March 2008 and 31 March 2009. However, since April 2009, City Lion no longer carried on any business and became a dormant company since then.

The Properties:

The original price paid by City Faith to acquire the Properties in June 2002 was HK\$13 million. The Properties had been treated as investment properties in the accounts of City Faith and the Group in view of the underlying intention to hold the Properties for rental income. As at 31 March 2009, the Properties had a net book value of HK\$22 million.

For the years ended 31 March 2008 and 31 March 2009 and up to the date of the Sale and Purchase Agreement, the Properties remain vacant and were held for disposal.

Financial information of the City Faith Group:

The following table sets out the summarized financial information of the City Faith Group for the years ended 31 March 2008 and 31 March 2009 and for the period ended 30 September 2009:

| | <i>HK\$'000</i> |
|----------------------------|-----------------|
| Profit/(loss) before tax | |
| – year ended 31 March 2008 | 12,996 |
| – year ended 31 March 2009 | (8,598) |
| Profit/(loss) after tax | |
| – year ended 31 March 2008 | 11,701 |
| – year ended 31 March 2009 | (8,598) |
| Net asset value | |
| – as at 31 March 2008 | 17,363 |
| – as at 31 March 2009 | 8,761 |
| – as at 30 September 2009 | 8,628 |

The above financial information has been prepared by the Group in accordance with the Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

III. FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Group will cease to hold any equity interest in City Faith and the City Faith Group will cease to be subsidiaries of the Company.

As a result of the Disposal, the Group is expected to record a gain of approximately HK\$2.3 million (after deducting related expenses payable by the Group) which is calculated with reference to the Consideration, the unaudited net asset value of the City Faith Group, the Bank Loan to be repaid and the amount of the Sale Loan as at Completion.

IV. REASON AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS

The Company is an investment holding company of which its subsidiaries are principally engaged in (a) investment holdings; (b) securities dealing and brokerage; (c) financing; (d) trading of securities; (e) general import and export trading; and (f) property development and investment.

The Directors, having considered the revitalizing property market condition and the Consideration for the Properties offered by the Purchaser, believe that it is an opportune time to dispose of the Properties on favourable terms. The Directors consider that the Disposal would represent a good opportunity for the Group to realize its investment in the Properties at an attractive return.

Regarding the disposal of City Lion, since it was a subsidiary of City Faith on the date of the transaction and it has become dormant since April 2009, City Lion was also being disposed of at the time of the Disposal.

Based on the Consideration and the associated estimated cost of the Disposal, the estimated net proceeds, after repayment of the Bank Loan and expenses, from the Disposal is approximately HK\$20 million. The Group intends to retain the net proceeds deriving from the Disposal for (a) future business development and acquisitions, if any; and (b) general working capital of the Group.

The terms of the Disposal have been determined based on arm's length negotiation between the Vendor and the Purchaser having regard to (a) the prevailing market value of the Properties; (b) the valuation of the Properties; and (c) the financial position of the City Faith Group. The Directors consider that the Disposal is in the interests of the Company and the Shareholders as a whole and that the terms of the Disposal are fair and reasonable and on normal commercial terms.

V. LISTING RULES IMPLICATION

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders at the SGM under Rule 14.40 of the Listing Rules. As no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the Disposal at the SGM.

VI. GENERAL

A circular containing, among other things, further details of the Disposal and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

TERMS AND DEFINITIONS

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|--------------|---|
| “associates” | has the meaning ascribed to it under the Listing Rules |
| “Bank Loan” | the outstanding bank loan pertaining to the Properties of HK\$4.126 million as at the date of this announcement which was taken out by City Faith |
| “Board” | the board of Directors |

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| “Business Day(s)” | a day on which banks are open for business in Hong Kong (excluding Saturdays, Sundays and public holidays) |
| “BVI” | the British Virgin Islands |
| “City Faith” | City Faith Investments Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor as at the date of this announcement |
| “City Faith Group” | City Faith and City Lion |
| “City Lion” | City Lion Worldwide Limited, a company incorporated in the BVI with limited liability and is wholly-owned by City Faith as at the date of this announcement |
| “Company” | Styland Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange |
| “Completion” | completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement |
| “Completion Date” | 29 January 2010 or such other date as the Vendor and the Purchaser may agree |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Consideration” | the sum of HK\$25 million, being the aggregate consideration payable by the Purchaser to the Vendor for the Sale Shares and the Sale Loan |
| “Deposit” | HK\$2.5 million, being deposit and in part payment of the Consideration, which shall be paid to the Vendor upon signing the Sale and Purchase Agreement |
| “Director(s)” | director(s) of the Company |
| “Disposal” | the disposal of the Sale Shares and the Sale Loan by the Vendor |
| “Group” | the Company and its subsidiaries |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party” | a party which is not a connected person of the Company and is independent of the Company and its connected person(s) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | the 7th Business Day prior to the Completion Date |
| “Properties” | Flat A on 3rd Floor, Roof A and Car Parking Space Nos. 6, 7 and 8, Daisyfield No. 4135 Tai Po Road, New Territories, Hong Kong |
| “Purchaser” | Madam Mai Xueqing |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 27 October 2009 entered into between the Vendor and the Purchaser in relation to the Disposal |
| “Sale Loan” | the entire amount of the shareholder’s loan due from the City Faith Group to the Vendor as at Completion |
| “Sale Shares” | all issued shares of City Faith |
| “SGM” | the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Vendor” | Thunderbolt Property Corp., a company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement |
| “Vendor’s Warranties” | the warranties and representations given by the Vendor as set out in the Sale and Purchase Agreement |

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“%” per cent.

On behalf of the Board
Styland Holdings Limited
Zhao Qingji
Chairman

Hong Kong, 4 November 2009

As at the date of this announcement, the Board consists of five executive Directors, Mr. Cheung Hoo Win, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Ms. Zhang Yuyan and Ms. Chen Lili and four independent non-executive Directors, Mr. Zhao Qingji, Mr. Yeung Shun Kee Edward, Mr. Li Hancheng and Mr. Lo Tsz Fung Philip.

* *For identification purpose only*