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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

(Warrant Code: 1482)

DISCLOSEABLE TRANSACTIONS: DISPOSAL OF CERTAIN EQUITY INTERESTS IN A SUBSIDIARY AND ACQUISITION OF CLNT CONSIDERATION SHARES AND PROMISSORY NOTE

THE LETTER AGREEMENT

On 6 December 2017, the Vendor, a wholly owned subsidiary of the Company together with the Other Brighten Shareholders, the Purchaser and CLNT entered into the conditional Letter Agreement in relation to the Disposal in exchange of the CLNT Consideration Shares and the Promissory Note.

LISTING RULES IMPLICATIONS

As the relevant percentage ratio exceeds 5% but all below 25%, the Disposal and the Acquisition constitute discloseable transactions on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement requirements under Chapter 14 of the Listing Rules.

The Board announces that on 6 December 2017, the Vendor, a wholly owned subsidiary of the Company together with the Other Brighten Shareholders, the Purchaser and CLNT entered into the conditional Letter Agreement in relation to the Disposal in exchange of the CLNT Consideration Shares and the Promissory Note.

* *For identification purpose only*

THE LETTER AGREEMENT

Date: 6 December 2017 (after trading hours)

Parties:

- (1) Party A: together the Vendor and the Other Brighten Shareholders
- (2) Party B: the Purchaser
- (3) CLNT

The Vendor is a wholly owned subsidiary of the Company and is principally engaged in investment holdings and holds 55% of the issued share capital of Brighten prior to the entering into of the Letter Agreement.

The Other Brighten Shareholders are two individuals and each of the Other Brighten Shareholders holds 22.5% of the issued share capital of Brighten prior to the entering into of the Letter Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save and except for their interests in Brighten, the Other Brighten Shareholders are Independent Third Parties.

The Purchaser is a company incorporated in British Virgin Islands with limited liability and is a wholly owned subsidiary of CLNT. CLNT is a listed holding company traded on the NASDAQ Stock Exchange. CLNT and its subsidiaries are engaged in design, manufacture and distribution of a line of proprietary high and low temperature dyeing and finishing machinery to the textile industry. According to CLNT's announcement, its latest business initiatives are focused on targeting the technology and global sharing economy market, by developing online platforms and rental business partnerships that will drive the global development of sharing through economical rental business models.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, CLNT and their ultimate beneficial owner(s) are Independent Third Party.

ASSETS TO BE DISPOSED AND TO BE ACQUIRED

Pursuant to the Letter Agreement, the Vendor shall transfer the Sale Shares at the Initial Price (as defined below), representing 28.05% of the issued share capital of Brighten, to the Purchaser subject to the terms and conditions of the Letter Agreement and the definitive agreement to be entered into by the parties (the "**Definitive Agreement**").

Pursuant to the Letter Agreement, the Purchaser and CLNT shall arrange to be issued and allotted the CLNT Consideration Shares to the Vendor and a 5 year interest free Promissory Note to be issued by CLNT in the principal amount of US\$7,569,169 to the Vendor subject to the terms and conditions of the Letter Agreement and the Definitive Agreement.

Pursuant to the Letter Agreement, the Other Brighten Shareholders shall also transfer an aggregate of 22.95% of the issued share capital of Brighten at the Initial Price (as defined below) to the Purchaser in exchange of CLNT Shares and promissory notes.

The obligations of the Vendor and the Other Brighten Shareholders under the Letter Agreement and the Definitive Agreement shall be several but not joint.

CONSIDERATION

The consideration for the Disposal is US\$9,046,125, representing US\$32.25 per Brighten Share (the “**Initial Price**”) and shall be set off in full on a dollar-to-dollar basis against the consideration for the CLNT Consideration Shares and the Promissory Note.

The consideration for the Disposal and the Acquisition was arrived at after arm’s length negotiations between the parties to the Letter Agreement after taking into consideration of various factors, in particular, the financial position and future prospect of the Brighten Group and the market price of CLNT Shares. In light of CLNT’s new business models to target on technology and global sharing economy market, the Group believes that CLNT will have positive prospects in the future as well as its share prices.

After taking into consideration of various factors, the Directors consider the consideration for the Disposal and the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

CONDITIONS

The obligations of the parties to consummate the transactions contemplated under the Letter Agreement (the “**Transactions**”) are subject to (a) the satisfactory completion of legal and financial due diligence on Brighten Group, provided that such due diligence exercise shall not cause material adverse disruption to the daily business operations of Brighten Group, (b) fulfillment of all necessary consents, approvals, permits and/or authorisations by each party with respect to the Transactions, and (c) within 45 days from the date of the Letter Agreement (or such other date as shall be agreed by the parties to the Letter Agreement), entry into the Definitive Agreement in relation to the Transactions satisfactory to each party to the Letter Agreement.

If any of the (a) and (b) conditions set out above is not satisfied on or before the Completion Date (as defined below) (or such later date as all the parties thereto may agree in writing), the Letter Agreement shall cease and terminate (save and except confidentiality obligations imposed on the parties which shall continue to have full force and effect) and neither party shall have any obligations and liabilities hereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms hereof.

COMPLETION

Completion of the Transactions is expected to take place on or before 31 March 2018 (or such later date as CLNT is required to fulfil the relevant laws, regulations and rules in the United States for the Transactions) (the “**Completion Date**”).

Upon Completion, the Brighten Group will cease to be subsidiaries of the Company and save for continuing holding 26.95% of issued share capital in Brighten, the Company will cease to have any interests in the Brighten Group.

UNDERTAKING

Pursuant to the Letter Agreement, the Purchaser and CLNT agree and undertake to Party A that, among others, after the Completion Date, CLNT will, as and when required by Party A, raise funds for the existing and new business and the operation costs including salaries and rental expenses of Brighten (in the form of a 5 year interest free promissory note issued by Brighten to CLNT) through investors introduced by Party A, provided that the number of shares to be issued by CLNT for each fund raising shall be less than 20% of the issued share capital of CLNT at the relevant time.

With respect to the CLNT Shares to be issued to Party A, the closing price of CLNT Shares, on at least one NASDAQ Stock Exchange trading day in the 4 month period (the “**Relevant Period**”) immediately after such CLNT Shares to Party A become freely tradeable on the NASDAQ Stock Exchange (after the restricted period or otherwise, if any) shall be at least 1.3 times of the placement price (being the price of such CLNT Shares issued to Party A) of such CLNT Shares (the “**Repurchase Price**”). Otherwise, Party B and CLNT shall, jointly and severally, repurchase such CLNT Shares to Party A at the Repurchase Price within 5 business days after the Relevant Period ends.

INFORMATION OF CLNT AND CLNT CONSIDERATION SHARES

CLNT is a company incorporated in Nevada and a listed holding company traded on the NASDAQ Stock Exchange. CLNT and its subsidiaries are engaged in design, manufacture and distribution of a line of proprietary high and low temperature dyeing and finishing machinery to the textile industry. According to CLNT’s announcement, its latest business initiatives are focused on targeting the technology and global sharing economy market, by developing online platforms and rental business partnerships that will drive the global development of sharing through economical rental business models.

Set out below is the published consolidated financial information of CLNT for the years ended 31 December 2015 and 31 December 2016 as extracted from its annual reports:

	For the year ended 31 December 2015 <i>(in US\$’000)</i> <i>(approximately)</i>	For the year ended 31 December 2016 <i>(in US\$’000)</i> <i>(approximately)</i>
Revenue	29,011	17,364
Profit/(loss) from continuing operations before provision for income tax	4,216	(1,393)
Net asset value	80,067	65,312

The 261,932 CLNT Consideration Shares shall represent approximately 10.725% of the issued share capital of CLNT as at the date of the Letter Agreement.

The issue price of US\$5.6387 per CLNT Consideration Share was the average closing price per CLNT Share as quoted on the NASDAQ Stock Exchange for the past five consecutive trading days ended 4 December 2017 (United States time), which represents a premium of approximately 3.2% over the closing price of US\$5.4634 per CLNT Share as quoted on the NASDAQ Stock Exchange on 4 December 2017 (United States Time).

INFORMATION OF THE BRIGHTEN GROUP

Brighten is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. The Brighten Group is principally engaged in investment holdings, strategic investments and financing.

Based on the unaudited consolidated management accounts of the Brighten Group, it is estimated that upon Completion, the Group will record a gain on disposal of subsidiaries of approximately HK\$70 million upon completion of the Disposal. The actual gain or loss on disposal of subsidiaries from the Disposal shall be subject to review of the auditors.

Set out below is the unaudited consolidated financial information of the Brighten Group for the years ended 31 March 2016 and 31 March 2017 and for the six months ended 30 September 2017 which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	For the year ended 31 March 2016	For the year ended 31 March 2017	For the six months ended 30 September 2017
	<i>(in HK\$'000)</i>	<i>(in HK\$'000)</i>	<i>(in HK\$'000)</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>(approximately)</i>	<i>(approximately)</i>	<i>(approximately)</i>
Revenue	3,812	12,875	10,384
(Loss)/profit before tax	(15,579)	(10,251)	25,041
Net (liabilities)/assets	(14,579)	(24,830)	211

REASONS FOR THE PROPOSED DISPOSAL

The Company is an investment holding company. The principal activities of the Group consist of investment holdings, financial services, mortgage financing, securities trading, and property development and investment.

The Disposal represents an opportunity for the Group to realise its investment in Brighten. The Board considers that the Group can focus its resources and management efforts on capturing business opportunities. Upon Completion, Brighten will cease to be a subsidiary of the Company and the financial results of Brighten will no longer be consolidated into the Group's financial statements.

The Group intends to hold the CLNT Consideration Shares as financial assets at fair value through profit or loss. CLNT is a listed holding company traded on the NASDAQ Stock Exchange. According to CLNT's announcement, its latest business initiatives are focused on targeting the technology and global sharing economy market, by developing online platforms and rental business partnerships that will drive the global development of sharing through economical rental business models. The Company considers that the future prospect of CLNT is promising and the Acquisition represents an investment opportunity of the Group. As the CLNT Shares are tradeable on the NASDAQ Stock Exchange, the Group will be able to realise them in the open market, which represent an efficient mean for the realisation of the CLNT Consideration Shares.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Letter Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

There will be no net proceeds from the Disposal as the consideration of the Disposal shall be settled by the CLNT Consideration Shares and the Promissory Note.

LISTING RULES IMPLICATIONS

As the relevant percentage ratio exceeds 5% but all below 25%, the Disposal and the Acquisition constitute discloseable transactions on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the CLNT Consideration Shares and the Promissory Note by the Group in accordance with the terms of the Letter Agreement and the Definitive Agreement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Brighten”	Brighten Int’l Holdings Limited, a 55% non-wholly owned subsidiary of the Company
“Brighten Group”	Brighten and its subsidiaries
“Brighten Shares”	ordinary shares in the share capital of Brighten
“CLNT”	Cleantech Solutions International, Inc.
“CLNT Consideration Shares”	such number of CLNT Shares to be issued and allocated to the Vendor by CLNT under the Letter Agreement and the Definitive Agreement
“CLNT Shares”	ordinary voting shares of CLNT
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal and the Acquisition in accordance with the terms of the Letter Agreement and the Definitive Agreement

“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares in accordance with the terms of the Letter Agreement and the Definitive Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules)of the Company
“Letter Agreement”	the conditional letter agreement dated 6 December 2017 and entered into between Party A, Party B and CLNT
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Brighten Shareholders”	the other two existing shareholders of Brighten
“Party A”	together the Vendor and the Other Brighten Shareholders
“Purchaser” or “Party B”	EC Assets Management Limited, a wholly owned subsidiary of CLNT and an Independent Third Party
“Promissory Note”	the 5 year interest free promissory note in the principal amount of US\$7,569,169 to be issued to the Vendor by CLNT
“Sale Shares”	280,500 Brighten Shares, representing 28.05% of the issued share capital of Brighten
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ever-Long Holdings Limited, a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America

“%”

per cent

By order of the Board
Styland Holdings Limited
Zhao Qingji
Chairman

Hong Kong, 6 December 2017

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