



STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(incorporated in Bermuda with limited liability)

PROPOSED CAPITAL REDUCTION, SHARE CONSOLIDATION, PROPOSED RIGHTS ISSUE WITH BONUS WARRANTS AND BONUS SHARES AND AMENDMENT OF BYE-LAWS

The Directors wish to announce that the circular to the Shareholders in relation to the Capital Reorganisation, the Rights Issue with Bonus Warrants and Bonus Shares and the amendment of the Bye-Laws will be despatched on 5th July, 2002.

The Directors also wish to announce that the Directors propose to amend the conditions in relation to the issue of Long Term Bonus Shares such that the Shareholders are no longer required to hold the Rights Shares for six months to be eligible for the bonus shares. The distribution of the bonus shares will be on basis of four bonus shares for every five Rights Shares taken up by either individual or corporate Shareholders. The terms and conditions of the bonus shares are set out below.

The Directors also wish to announce that the expected timetable of Rights Issue has been revised due to the delay in the despatch of the Rights Issue circular.

DESPATCH OF CIRCULAR

In an earlier announcement of the Company dated on 17th June, 2002 (the "Announcement"), the Directors announced that they proposed to issue a circular (the "Circular") to the Shareholders in relation to the Capital Reorganisation, the Rights Issue with Bonus Warrants and Bonus Shares and the amendment of the Bye-Laws, to be despatched on or about 2nd July, 2002. The Directors wish to announce that the Circular will now be despatched on 5th July, 2002. Terms defined in the Announcement shall, unless the context otherwise requires, have the same meanings when used herein.

AMENDMENT TO THE LONG TERM BONUS SHARES

The Directors also wish to announce that the Directors propose to amend the conditions in relation to the issue of Long Term Bonus Shares such that the Shareholders are no longer required to hold the Rights Shares for six months to be eligible for the bonus shares of the Company ("Bonus Shares"). The distribution of the Bonus Shares will be on the basis of four Bonus Shares for every five Rights Shares taken up by either the individual or corporate Shareholders.

CONDITIONS OF THE BONUS SHARES

The issue of the Bonus Shares is subject to the following conditions:

- the approval of the amendment of bye-law 140(A) of the Bye-Laws by the Shareholders at the SGM;
- the approval of the issue of the Bonus Shares by the Independent Shareholders at the SGM; and
- the Rights Issue becoming unconditional.

The following table summarises the comparison of the Subscription Price and effective subscription price to the trading prices and the theoretical price of the Shares:

	Before Capital Reorganisation	Capital Reorganisation becoming effective
Subscription Price	HK\$0.0245	HK\$0.098
(A) The closing price of the Shares on 3rd July, 2002 being the latest practicable date of the Circular (the "Latest Practicable Date")	HK\$0.053	HK\$0.212
Discount to the closing price on (A)	53.77%	53.77%
(B) The average closing price of the Shares for 10 trading days before and including the Latest Practicable Date	HK\$0.042	HK\$0.167
Discount to the ten days average closing price on (B)	41.67%	41.32%
(C) Theoretical ex-rights price without taking into account the Bonus Shares (Note)	HK\$0.0316	HK\$0.127
Discount to the theoretical ex-rights price on (C)	22.47%	22.83%
(D) Pro forma net tangible asset value per Share after the Rights Issue without taking into account the Bonus Shares	HK\$0.127	HK\$0.506
Discount to the pro forma net tangible asset value per Share on (D)	80.7%	80.6%

Note:

The Subscription Price is HK\$0.098 thus the theoretical subscription price of the Rights Issue before the Capital Reorganisation at HK\$0.0245 (HK\$0.098/4 = HK\$0.0245). The theoretical ex-rights price is HK\$0.032 per Share which is based on the Share price on the Latest Practicable Date of HK\$0.053 per Share (HK\$0.053 + HK\$0.0245 x 3/4 = HK\$0.032). The theoretical ex-rights price after Capital Reorganisation is HK\$0.127 per Share which is based on the Share price on the Latest Practicable Date of HK\$0.212 per Share and the assumption that the Capital Reorganisation has taken effect (HK\$0.212 + HK\$0.098 x 3/4) = HK\$0.127.

As five Rights Shares carries with its entitlement for four Bonus Shares, the effective subscription price for each Rights Share would be approximately HK\$0.054. The following table summarises the comparison of the effective subscription price to the trading prices and the theoretical ex-rights price of the Shares:

	Before Capital Reorganisation	Capital Reorganisation becoming effective
Effective subscription price	HK\$0.014	HK\$0.054
(A) The closing price of the Shares on the Latest Practicable Date	HK\$0.053	HK\$0.212
Discount to the closing price on (A)	73.58%	74.53%
(B) The average closing price of the Shares for 10 trading days before and including the Latest Practicable Date	HK\$0.042	HK\$0.167
Discount to the ten days average closing price on (B)	66.67%	67.66%
(C) Theoretical ex-rights price taking into account the Bonus Shares (Note)	HK\$0.020	HK\$0.079
Discount to the theoretical ex-rights price on (C)	30.00%	31.65%
(D) Pro forma net tangible asset value per Share after the Rights Issue having taken into account the Bonus Shares	HK\$0.072	HK\$0.289
Discount to the pro forma net tangible asset value per Share on (D)	80.56%	81.31%

Note:

The effective subscription price having taken into account the allotment of the Bonus Shares is HK\$0.054 i.e. (HK\$0.098 x 3/ (3 + 3 x 4/5) = HK\$0.054

REVISION OF TIMETABLE

Due to the delay in the despatch of the Circular, the timetable for the Rights Issue and Capital Reorganisation is revised as follow:

Despatch of circular with notice of SGM	5th July
Last day of dealings in Shares on a cum-rights basis	19th July
Commencement of dealings in Shares on an ex-rights basis	22nd July
Latest time for lodging transfer of Shares	4:00 p.m. on 23rd July
Register of members closes between	24th July to 30th July
Latest time for lodging forms of proxy for the SGM	9:30 a.m. on 28th July
The Record Date	30th July
Expected date of the SGM	9:30 a.m. on 30th July
Despatch of the Rights Issue prospectus, provisional allotment letters and forms for application of excess Rights Shares	30th July
Effective Date of the Capital Reorganisation	31st July
Register of members re-opens	31st July
Free exchange of existing share certificates for new share certificates commences	9:30 a.m. on 31st July
Temporary counter for trading in New Shares in board lots of 2,500 New Shares (in the form of existing share certificates) opens	9:30 a.m. on 31st July
Designated broker start to stand in the market to provide matching service	31st July
Existing counter for trading in Shares in board lots of 10,000 closes	9:30 a.m. on 31st July
First day of dealings in nil-paid Rights Shares	1st August
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on 6th August
Last day of dealings in nil-paid Rights Shares	9th August
Existing counter for trading in New Shares in board lots of 10,000 New Shares (in the form of new share certificates) reopens	9:30 a.m. on 14th August
Parallel trading in New Shares (in the form of new and existing share certificates) begins	9:30 a.m. on 14th August
Latest time for payment and acceptance of Rights Shares	4:00 p.m. on 14th August
Latest time for the Rights Issue to become unconditional	4:00 p.m. on 16th August
Announcement of results of the Rights Issue	19th August
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful applications for excess Rights Shares	20th August
Despatch of certificates for Rights Shares, Bonus Warrants and Bonus Shares	20th August
Dealings in fully paid Rights Shares, Bonus Warrants and Bonus Shares commence	22nd August
Temporary counter for trading in New Shares in board lots of 2,500 New Shares (in the form of existing share certificates) closes	4:00 p.m. on 4th September
Designated broker ceases to stand in the market to provide matching service	4:00 p.m. on 4th September
Parallel trading in New Shares (in the form of new and existing share certificates) ends	4:00 p.m. on 4th September
Free exchange of existing share certificates for new share certificates ends	9th September

By Order of the Board
Styland Holdings Limited
Steven Wang-Tai Li
Chairman