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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

PROPOSED SHARE CONSOLIDATION, PROPOSED RIGHTS ISSUE AND PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Financial Advisers



YU MING INVESTMENT MANAGEMENT LIMITED

EMPEROR CAPITAL LIMITED

Underwriters

**TAIWAN CONCORD CAPITAL SECURITIES (HONG KONG) LIMITED
ONG ASIA SECURITIES (HK) LIMITED
UPBEST SECURITIES COMPANY LIMITED
PEACE TOWN SECURITIES LIMITED
YOUNG CHAMPION SECURITIES LIMITED**

The Directors announce that the Company proposes to implement, among other matters, the Share Consolidation and the Rights Issue.

SHARE CONSOLIDATION

The Company proposes to effect the Share Consolidation by consolidating every eight Existing Shares of HK\$0.01 each in the capital of the Company into one Consolidated Share of HK\$0.08.

Based on the present number of 1,633,398,618 Existing Shares in issue and upon the Share Consolidation becoming effective, the issued share capital of the Company will comprise 204,174,827 Consolidated Shares. The board lot size will remain unchanged at 10,000 shares.

RIGHTS ISSUE

The Company proposes to raise approximately HK\$40.8 million, before expenses, by way of the Rights Issue of 408,349,654 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share. The Rights Issue is fully underwritten by the Underwriters.

The Company will provisionally allot 408,349,654 Rights Shares in nil-paid form in the proportion of two Rights Shares for every one Consolidated Share held by the Qualifying Shareholders on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue is not available to the Overseas Shareholders. The Rights Issue is subject to the conditions set out below under the section headed “Conditions of the Rights Issue”. In particular, the Rights Issue is conditional, among other things, on: (i) approval by the Shareholders at the SGM, (ii) the Share Consolidation becoming effective, and (iii) the Underwriting Agreement becoming unconditional and not being terminated.

The estimated amount of net proceeds of the Rights Issue is approximately HK\$38.7 million which will be used to repay the bank borrowings of the Group and as general working capital of the Group. The Directors believe that the Rights Issue will allow all Shareholders (subject to the arrangements for the Overseas Shareholders) the opportunity to participate in the future growth of the Group. As stated below under the section headed “Reasons of the Rights Issue”, the Directors consider that the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

The Principal Shareholders have irrevocably undertaken to the Company and the Underwriters that the Existing Shares beneficially owned by them and their respective associates will remain so owned up to the close of business on the Record Date and that they and their respective associates will subscribe in full for their entitlements under the Rights Issue.

Since the Company has no controlling Shareholder, no Shareholder will have to abstain from voting on the resolution to approve the Rights Issue at the SGM.

WARNING OF THE RISKS OF DEALING IN EXISTING SHARES AND RIGHTS SHARES

Existing Shares will be dealt with on an ex-rights basis from 23rd December, 2002. Rights Shares will be dealt with in their nil-paid form from 7th January, 2003 to 16th January, 2003 (both dates inclusive). If Taiwan Concord, on behalf of the Underwriters, terminates the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” below) or the conditions of the Rights Issue (see the section headed “Conditions of the Rights Issue” below) are not fulfilled, the Rights Issue will not proceed. Any dealings in Existing Shares or Consolidated Shares or Rights Shares during these periods are accordingly at the investors’ own risk.

If in any doubt, investors should consider obtaining professional advice on this.

A circular containing, inter alia, further information in respect of the Share Consolidation, the Rights Issue and the General Mandates and a notice of the SGM to approve the Share Consolidation, the Rights Issue and the grant of the General Mandates will be despatched to the Shareholders as soon as practicable, and subject to the Share Consolidation and the Rights Issue being approved at the SGM, the Prospectus, provisional allotment letter and form of application for excess Rights Shares will be despatched to the Qualifying Shareholders on or about 3rd January, 2003.

CLARIFICATION OF A PRESS ARTICLE

Reference is made to a press articles appearing on Sing Tao Daily on 22nd November, 2002 relating to a rights issue of the Company. The Company is not aware of the source of information. Shareholders and the public should only refer to this announcement for details of the Rights Issue.

The Company would like to further clarify that the purpose of the Rights Issue is to raise funds to repay the bank borrowings of the Group and as general working capital of the Group. A rights issue allows shareholders to participate in the fund raising exercise on an equitable basis and so it is a groundless speculation that the purpose of the Rights Issue is to defend a hostile takeover.

Trading in the Existing Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 20th November, 2002, pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Existing Shares with effect from 9:30 a.m. on 26th November, 2002.

PROPOSED SHARE CONSOLIDATION

The Company proposes to effect the Share Consolidation by consolidating every eight Existing Shares of HK\$0.01 each in the capital of the Company into one Consolidated Share of HK\$0.08.

As at the date of this announcement, the existing authorized share capital of the Company is HK\$2,000,000,000 divided into 200,000,000,000 Existing Shares of HK\$0.01 each, of which 1,633,398,618 Existing Shares have been issued and fully paid or credited as fully paid. Immediately following the Share Consolidation becoming effective and assuming that no further Existing Shares will be issued up to the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$2,000,000,000 comprising of 25,000,000,000 Consolidated Shares of HK\$0.08 each, of which 204,174,827 Consolidated Shares will be in issue and fully paid or credited as fully paid. As at the date of this announcement, the Company has no warrants or any other rights to subscribe for Existing Shares.

The Share Consolidation will reduce the number of board lots in the market and thus the handling cost for the Company and the transaction cost of the Shareholders, including charges for issue of share certificates and stock withdrawal, will be reduced. Therefore, the Company believes that the Share Consolidation is in the interests of the Company and the Shareholders.

Fractional entitlements and odd lot matching service

Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company. In order to alleviate the difficulties in the trading of the Consolidated Shares in odd lots as a result of the Share Consolidation, the Company has appointed Ever-Long to match, on a best effort basis, the sale and purchase of odd lots of the Consolidated Shares during the period from 3rd January, 2003 to 11th February, 2003 (both dates inclusive). Shareholders who wish to take advantage of this facility either to dispose of their odd lots of Consolidated Shares or to top up their odd lots to a board lot of 10,000 Consolidated Shares may, through their brokers, contact Mr. Ng Shun Fu, of Ever-Long at 18th Floor, Dah Sing Life Building, 99-105 Des Voeux Road, Central, Hong Kong, and at telephone number (852) 2815 3522.

Conditions

The Share Consolidation is conditional, amongst other things, upon:

1. the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
2. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consolidated Shares; and
3. the approval of relevant regulatory authorities, if required.

Effect on the Company and the Shareholders

The Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the expenses to be incurred in relation to the Share Consolidation, the Share Consolidation will have no effect on the consolidated net assets of the Group and will not, by itself, alter the underlying assets, business operations, management or financial position of the Group or the interests of the Shareholders.

Free exchange of share certificates

Subject to the Share Consolidation becoming effective which is expected to be on or around 3rd January, 2003, Shareholders may on or after 3rd January, 2003 and until 14th February, 2003 lodge certificates for the Existing Shares to the Company's branch share registrars in Hong Kong, Tengis Limited, 4th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, in exchange, at the expense of the Company, for certificates for the Consolidated Shares. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Consolidated Shares.

Further details in relation to the parallel trading arrangements for the Existing Shares and the Consolidated Shares are set out in the expected timetable below. Shareholders are reminded that subject to satisfaction of the conditions set out above, from 4:00 p.m. on 11th February, 2003 when parallel trading in the Consolidated Shares (in the form of new certificates for Consolidated Shares and existing certificates for Existing Shares) ends, existing certificates for Existing Shares will cease to be marketable and will not be accepted for dealings purposes. Nevertheless, certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time.

Listing and dealing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares.

PROPOSED RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue:	two Rights Shares for every Consolidated Share held on the Record Date
Number of Existing Shares in issue:	1,633,398,618 Existing Shares (as at the date of this announcement)
Number of Consolidated Shares immediately following the Share Consolidation becoming effective:	204,174,827 Consolidated Shares
Number of Rights Shares:	408,349,654 Rights Shares

Subscription Price: HK\$0.10 per Rights Share

Underwriters: Taiwan Concord, Ong Asia Securities (HK) Limited, Upbest Securities Company Limited, Peace Town Securities Limited and Young Champion Securities Limited

The Underwriters are independent of, not connected with the directors, chief executive and substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates.

Qualifying Shareholders

The Company will send provisional allotment letters and forms of application for excess Rights Shares to the Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. have an address in Hong Kong which appears on the register of members of the Company as at the Record Date.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Existing Shares (together with the relevant share certificates for such Existing Shares) with the Company's branch share registrar in Hong Kong by 4:00 p.m. on 27th December, 2002.

The branch share registrars of the Company in Hong Kong is:

Tengis Limited
4th Floor, Hutchison House,
10 Harcourt Road,
Central, Hong Kong

The register of members of the Company will be closed from 30th December, 2002 to 2nd January, 2003, both dates inclusive. No transfers of Existing Shares will be registered during this period.

Basis of the Rights Issue

The Company will provisionally allot two Rights Shares, in nil-paid form, for every one Consolidated Share held by the Qualifying Shareholders on Record Date payable in full on acceptance. Based on the 1,633,398,618 Existing Shares in issue as at the date hereof and 204,174,827 Consolidated Shares in issue immediately following the Share Consolidation becoming effective, 408,349,654 Rights Shares will be issued under the Rights Issue.

The Principal Shareholders are interested in 282,170,167 Existing Shares as at the date of this announcement, representing approximately 17.3% of the existing issued share capital of the Company. Of the 282,170,167 Existing Shares, 400,000 Existing Shares are pledged to

C.A. Pacific Finance Limited which is in liquidation. The Principal Shareholders cannot ascertain whether such Existing Shares are still registered in their names and subject to their right of redemption. They have irrevocably undertaken to the Company and the Underwriters that the 281,770,167 Existing Shares (282,170,167 Existing Shares less the 400,000 Existing Shares pledged to C.A. Pacific Finance Limited) beneficially owned by them and their respective associates and registered in their and their respective associates' names will remain so owned up to the close of business on the Record Date and that, they and their respective associates will subscribe in full for their aggregate entitlements of 70,442,540 Rights Shares under the terms of the Rights Issue.

Since the Company has no controlling Shareholder, no Shareholder will have to abstain from voting on the resolution to approve the Rights Issue at the SGM.

Subscription Price

HK\$0.10 per Rights Share is payable in full, when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares or applies for excess Rights Shares, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

1. a discount of approximately 79.2% to the theoretical price of HK\$0.48 of the Consolidated Shares based on the closing price of the Existing Shares of HK\$0.06 on 19th November, 2002, being the last trading day prior to the date of publication of this announcement;
2. a discount of approximately 80.0% to the theoretical price of HK\$0.4992 of the Consolidated Shares based on the average closing price of the Existing Shares of HK\$0.0624 for the ten trading days ended on 19th November, 2002;
3. a discount of approximately 80.3% to the theoretical price of HK\$0.5064 of the Consolidated Shares based on the average closing price of the Existing Shares of HK\$0.0633 for the thirty trading days ended on 19th November, 2002; and
4. a discount of approximately 55.9% to the theoretical ex-rights price of HK\$0.2267 of the Consolidated Shares based on the closing price of the Existing Shares of HK\$0.06 on 19th November, 2002.

The Subscription Price was agreed after arm's length negotiation with reference to current market condition and the recent trading prices of the Existing Shares on the Stock Exchange between the Company and the Underwriters.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Certificates of the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted by 27th January, 2003 to those subscribers who have been allotted the Rights Shares.

Rights of Overseas Shareholders

The Prospectus, the provisional allotment letters and forms for application of excess Rights Shares will not be registered under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. The Directors have exercised the discretion given to them under the Bye-Laws, among other things, not to issue such Rights Shares as in their opinion, the issue would or might, in the absence of compliance with registration or other special formalities in other territories, be unlawful or impracticable. Accordingly, no provisional allotment of Rights Shares will be made to Overseas Shareholders. The Company will send the Prospectus to the Overseas Shareholders for their information only. The Company will not send provisional allotment letters or forms of application for excess Rights Shares to the Overseas Shareholders.

If a premium (net of expenses) can be obtained, the Company will sell the Rights Shares which would otherwise have been provisionally allotted to the Overseas Shareholder once dealings in the nil-paid Rights Shares commence. The proceeds of each sale, less expenses, which amount to HK\$100 or more will be paid to the relevant Overseas Shareholder in Hong Kong dollars as soon as practicable. The Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold Rights Shares to which the Overseas Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders.

Fractional Entitlements and odd lot matching service

Any fractional entitlements to the nil paid and fully paid Rights Shares will not be allotted and issued to the Shareholders but will be aggregated and sold and retained for the benefit of the Company. Holders of odd lots of the Rights Shares may utilize the odd lot matching service to be provided by Ever-Long for the odd lots of the Consolidated Shares as a result of the Share Consolidation. Please refer to the paragraph headed “Fractional entitlements and odd lot matching facility” under the section headed “Proposed Share Consolidation” above for further details.

Application for excess Rights Shares

Qualifying Shareholders may apply (using forms for application of excess Rights Shares) for any unsold entitlements for the Overseas Shareholders and any Rights Shares provisionally allotted but not accepted.

The Company will allocate excess Rights Shares at their sole discretion, on a fair and equitable basis.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) in Hong Kong will be subject to the payment of stamp duty.

UNDERWRITING AGREEMENT

Underwriters: Taiwan Concord, Ong Asia Securities (HK) Limited, Upbest Securities Company Limited, Peace Town Securities Limited and Young Champion Securities Limited

Number of Rights Shares underwritten by the Underwriters: 337,907,114 Rights Shares, being the total number of 408,349,654 Rights Shares under the Rights Issue less 70,442,540 Rights Shares which the Principal Shareholders are entitled to subscribe for under the terms of the Rights Issue

Commission: 2.5% of the aggregate Subscription Price of the Rights Shares underwritten by the Underwriters.

The Underwriters are independent of, not connected with the directors, chief executive and substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates.

Termination of the Underwriting Agreement

It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right, which may be exercised at any time prior to 4:00 p.m. on the second business day immediately after the last day for acceptance of the Rights Issue, which is expected to 23rd January, 2003, in the reasonable opinion of Taiwan Concord on behalf of the Underwriters, if there occurs:

- 1. the success of the Rights Issue would be affected by:**
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of Taiwan Concord on behalf of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
 - (b) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or**

continuing before, and/or after the date of the Underwriting Agreement, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of Taiwan Concord materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or**
- 2. any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) occurs which in the reasonable opinion of Taiwan Concord makes it inexpedient or inadvisable to proceed with the Rights Issue; or**
- 3. the circular of the Rights Issue or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of Taiwan Concord is material to the Group as a whole and is likely to materially and adversely affect the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it;**

Taiwan Concord, on behalf of the Underwriters, shall be entitled to terminate the Underwriting Agreement and in such event the Rights Issue will not proceed.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional, amongst other things, upon the following conditions being fulfilled on or before two business days after the last day for acceptance of the Rights Issue which is expected to be 23rd January, 2003:

- 1. approval of the Rights Issue by the Shareholders at the SGM;**
- 2. the Share Consolidation becoming effective;**
- 3. the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated;**
- 4. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Rights Shares in nil-paid and fully paid forms;**

5. the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong one copy of the Prospectus, the provisional allotment letter and form of application for excess Rights Shares in compliance with the Listing Rules and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong); and
6. the filing of the Prospectus, the provisional allotment letter and form of application for excess Rights Shares with the Registrar of Companies in Bermuda in accordance with the Companies Act.

REASONS OF THE RIGHTS ISSUE

The Company attempted to raise funds through a rights issue in June 2002 which was terminated on 1st August, 2002 due to uncertainty in the financial markets in Hong Kong and in the United States. The Company is presently confident about the stock market and the economy of Hong Kong in the coming months in view of the new housing policies of the Hong Kong Government announced on 13th November, 2002 and the recent supportive speeches given by the senior officials of the Beijing Government. Therefore, the Directors believe that it is the right time to effect the Rights Issue.

The Company has subsequently raised approximately HK\$6.8 million by way of a placement of new shares as disclosed in the Company's announcement dated 21st August, 2002 to reduce bank borrowings of the Group. The proceeds are currently placed in a deposit account of the Group and have been earmarked to repay a mortgage loan of an outstanding amount of approximately HK\$9.5 million. Repayment priority is given to such mortgage loan because it bears a higher rate than the other loans of the Group. Since end of September 2002, the Company has been attempting to dispose of a property of the Group to an independent third party (which is not expected to constitute a notifiable transaction for the Company) which is charged to secure the said mortgage loan. The Company expects that if the proposed disposal does not proceed by 2003 Lunar New Year (which is around early February 2003), the proceeds will be used to repay such mortgage loan. If the proposed disposal proceeds to completion, the liabilities under the said mortgage loan will be transferred to the independent buyer and the proceeds will be used to repay another mortgage loan of the Group as soon as possible thereafter.

As at the close of business of 31st October, 2002, the Group has approximately HK\$48.9 million cash and outstanding borrowings of approximately HK\$190.4 million comprising bank overdraft of approximately HK\$31.9 million, secured bank loan of approximately HK\$157.6 million and obligations under hire purchase contracts of approximately HK\$0.9 million. The Directors intend to apply the proceeds from the Rights Issue to repay the bank borrowings of the Group and the balance as general working capital of the Group in the proportion set out in the section headed "Use of Proceeds" below. The total borrowings of the Group will be reduced and the balance sheet of the Group will be strengthened. Therefore, the Directors believe that the Rights Issue is in the best interests of the Company and the Shareholders.

The Company considers that the Rights Issue is preferable because it will allow all Shareholders (subject to the arrangements for the Overseas Shareholders as mentioned above) to equally and ratably enjoy the same rights to participate in the fund raising exercise on exactly the same terms.

USE OF PROCEEDS

The estimated net proceeds of the Rights Issue is approximately HK\$38.7 million which will be used as follows:

1. HK\$22 million to repay the bank borrowings of the Group; and
2. the remaining HK\$16.7 million as general working capital of the Group.

The proportion of the proceeds to be used for future investment and working capital was a commercial decision made collectively by the board of directors of the Company.

EXPECTED TIMETABLE

2002

Despatch of circular with notice of the SGM Monday, 9th December

Last day of dealings in Existing Shares
on a cum-rights basis Friday, 20th December

Commencement of dealings in Existing Shares
on an ex-rights basis Monday, 23rd December

Latest time for lodging transfer
of Existing Shares 4:00 p.m. on Friday, 27th December

Register of members closes to determine
the eligibility of the Rights Issue Monday, 30th December

Latest time for lodging proxyforms
for the SGM 9:30 a.m. on Tuesday, 31st December

2003

Expected date of the SGM 9:30 a.m. on Thursday, 2nd January

The Record Date Thursday, 2nd January

Despatch of Prospectus, provisional
allotment letters and forms for
application of excess Rights Shares Friday, 3rd January

Effective Date of the Share Consolidation Friday, 3rd January

Register of members re-opens Friday, 3rd January

Free exchange of existing share certificates for
new share certificates commences 9:30 a.m. on Friday, 3rd January

Temporary counter for trading in
Consolidated Shares in board
lots of 1,250 Consolidated Shares
(in the form of existing share certificate) opens 9:30 a.m. on Friday, 3rd January

Existing counter for trading in
Existing Shares in board lots of
10,000 Existing Shares closes 9:30 a.m. on Friday, 3rd January

Designated broker start to stand in the market
to provide matching service Friday, 3rd January

First day of dealings in nil-paid Rights Shares Tuesday, 7th January

Latest time for splitting nil-paid Rights Shares 4:00 p.m. on Monday, 13th January

Last day of dealings in nil-paid Rights Shares Thursday, 16th January

Existing counter for trading in
Consolidated Shares in board lots of
10,000 Consolidated Shares
(in the form of new share certificate) reopens 9:30 a.m. on Friday, 17th January

Parallel trading in Consolidated Shares
(in the form of new and
existing share certificates) begins 9:30 a.m. on Friday, 17th January

Latest time for payment and acceptance
of Rights Shares 4:00 p.m. on Tuesday, 21st January

Latest time for the Rights Issue to
become unconditional Thursday, 23rd January

Announcement of results of the Rights Issue Friday, 24th January

Despatch of refund cheques in respect of
unsuccessful or partially unsuccessful
applications for excess Rights Shares. Monday, 27th January

Despatch of certificates for Rights Shares Monday, 27th January

Dealing of fully paid Rights Shares commence Wednesday, 29th January

Temporary counter for trading in
Consolidated Shares in board lots of
1,250 Consolidated Shares
(in the form of existing
share certificate) closes 4:00 p.m. on Tuesday, 11th February

Parallel trading in Consolidated Shares
(in the form of new and existing
share certificates) ends 4:00 p.m. on Tuesday, 11th February

Designated broker ceases to stand in the market to
provide matching service Tuesday, 11th February

Free exchange of existing share certificates for
new share certificates ends Friday, 14th February

Warning of the risks in trading of Existing Shares and Rights Shares

Existing Shares will be dealt with on an ex-rights basis from 23rd December, 2002. Rights Shares will be dealt with in their nil-paid form 7th January, 2003 to 16th January, 2003 (both dates inclusive). If Taiwan Concord, on behalf of the Underwriters, terminates the Underwriting Agreement (see section headed “Termination of the Underwriting Agreement” above) or the conditions of the Rights Issue (see section headed “Conditions of the Rights Issue” above) are not fulfilled, the Rights Issue will not proceed.

Any dealings in Existing Shares or Consolidated Shares or Rights Shares in their nil-paid form during such periods are accordingly at the investors’ own risk.

If in any doubt, investors should consider obtaining professional advice on this.

SHAREHOLDING OF THE COMPANY

Shareholder	Number of Existing Shares		Number of Consolidated Shares immediately following the Share Consolidation becoming effective		Number of Consolidated Shares immediately following completion of the Rights Issue assuming that each of the Qualifying Shareholders subscribes for the Rights Shares provisionally allotted to them	
Principal Shareholders	282,170,167	17.3%	35,271,270	17.3%	105,713,810	17.3%
Lin Wen	165,050,000	10.1%	20,631,250	10.1%	61,893,750	10.1%
Public	1,186,178,451	72.6%	148,272,307	72.6%	444,916,921	72.6%
	1,633,398,618	100.0%	204,174,827	100.0%	612,524,481	100.0%

Note: The 100,000 Right Shares provisionally allotted for the 400,000 Existing Shares charged by the Principal Shareholders are excluded and are assumed to be subscribed by the public.

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

In connection with the enlarged share capital as a result of the Rights Issue, the Directors will also seek the approval of Shareholders at the SGM for the grant of general mandates to repurchase securities and to issue further securities not exceeding 10% and 20% respectively of the issued share capital of the Company as enlarged by the Rights Issue at the SGM.

INFORMATION ON THE COMPANY

The principal activities of the Group consist of investment holding, securities dealings and broking, financing business, general import and export and trading and property development and investment.

CLARIFICATION OF A PRESS ARTICLE

Reference is made to a press article appearing on Sing Tao Daily on 22nd November, 2002 relating to a rights issue of the Company. The Company is not aware of the source of information. Shareholders and the public should only refer to this announcement for details of the Rights Issue.

The Company would like to further clarify that the purpose of the Rights Issue is to raise funds to repay the bank borrowings of the Group and as general working capital of the Group. A rights issue allows shareholders to participate in the fund raising exercise on an equitable basis and so it is a groundless speculation that the purpose of the Rights Issue is to defend a hostile takeover.

GENERAL

A circular containing, among other things, further details of the Share Consolidation, the Rights Issue and the General Mandates and the notice of the SGM will be despatched to Shareholders as soon as practicable.

Trading in the Existing Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 20th November, 2002, pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Existing Shares with effect from 9:30 a.m. on 26th November, 2002.

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

“associate”	has the meaning ascribed thereto in the Listing Rules
“Company”	Styland Holdings Limited, an exempted company incorporated in Bermuda with limited liability and whose issued shares are listed on the Stock Exchange
“Companies Act”	Companies Act 1981 of Bermuda, as amended

“Consolidated Share(s)”	new share(s) of HK\$0.08 each in the capital of the Company immediately after completion of the Share Consolidation
“Directors”	directors of the Company
“Ever-Long”	Ever-Long Securities Company Limited
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“General Mandates”	general mandates to repurchase securities and to issue further securities not exceeding 10% and 20% respectively of the issued share capital of the Company as enlarged by the Rights Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of the business on the Record Date and whose addresses as shown on such register are outside Hong Kong
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong
“Principal Shareholders”	Mr. Kenneth Cheung Chi-Shing, a substantial shareholder to the Company and his associates, K.Y. Limited, K.C. (Investment) Limited and Ms. Yvonne Yeung Han-Yi who together beneficially own 282,170,167 Shares, representing approximately 17.3% of the existing issued share capital of the Company
“Prospectus”	the prospectus of the Company to be issued in relation to the Rights Issues
“Qualifying Shareholders”	Shareholders other than the Overseas Shareholders
“Record Date”	the record date by reference to which entitlements to the Rights Issue will be determined, which is expected to be 2nd January, 2003
“Rights Issue”	the proposed issue by way of rights of Rights Shares at a price of HK\$0.10 per Rights Share on the basis of two Rights Shares for every Consolidated Share then held on the Record Date

“Rights Shares”	408,349,654 Consolidated Shares to be issued by way of the Rights Issue
“SGM”	the special general meeting of the Company to approve, among other matters, the Rights Issue, the Share Consolidation and the General Mandates, which is expected to be held on 2nd January, 2003
“Share Consolidation”	the consolidation of the Existing Shares in the capital of the Company on the basis of eight Existing Shares of HK\$0.01 each into one Consolidated Share of HK\$0.08
“Shareholder(s)”	holder(s) of the Existing Shares or Consolidated Shares (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.10 per Rights Share
“Taiwan Concord”	Taiwan Concord Securities (Hong Kong) Limited
“Underwriters”	Taiwan Concord, Ong Securities (HK) Limited, Upbest Securities Company Limited, Peace Town Securities Limited and Young Champion Securities Limited
“Underwriting Agreement”	the underwriting agreement dated 19th November, 2002 (as varied and supplemented by an agreement dated 21st November, 2002) in relation to the Rights Issue and entered into between, among others, the Company, Mr. Kenneth Cheung Chi-Shing, Ms. Yvonne Yeung Han-Yi and the Underwriters
“HK\$”	Hong Kong dollars

By Order of the Board
STYLAND HOLDINGS LIMITED
Steven Li Wang Tai
Chairman

Hong Kong, 25th November, 2002

* *For identification purposes only*