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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

PROPOSED BONUS WARRANT ISSUE

The Board proposed the Bonus Warrant Issue to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date.

Each Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share at an initial subscription price of HK\$0.285 (subject to adjustment) at any time during the period which is expected to commence on the date of the issue of the Warrants and end on the date falling 12 months from the date of issue of the Warrants (both days inclusive). The Bonus Warrant Issue is conditional upon, among other things, the approval by the Shareholders of the issue of Warrants and any New Shares at the SGM; and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any New Shares.

A circular containing, among other things, further details of the Bonus Warrant Issue and a notice of the SGM will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

THE PROPOSED BONUS WARRANT ISSUE

Reference was made to the interim results announcement of the Company dated 24 November 2020, in which it mentioned that the Directors would propose a new issue of bonus warrants to the Shareholders on the basis of one (1) Warrant for every five (5) Shares at the subscription price of HK\$0.285 per Share. This announcement provides details of the Bonus Warrant Issue.

Subject to the satisfaction of the conditions below, the Bonus Warrant Issue will be made to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date.

* *For identification purpose only*

SUBSCRIPTION PRICE AND SUBSCRIPTION PERIOD

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for one (1) New Share at an initial subscription price of HK\$0.285, subject to customary anti-dilutive adjustments in market transactions of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalisation issues and capital distributions, at any time during the period which is expected to commence on the date of the issue of the Warrants and end on the date falling 12 months from the date of issue of the Warrants, which are expected to be from 17 February 2021 to 16 February 2022 (both days inclusive).

The initial subscription price of HK\$0.285 represents:

- (i) a discount of approximately 20% to the closing price of HK\$0.355 per Share as quoted on the Stock Exchange on 22 December 2020 (the “LPD”);
- (ii) a discount of approximately 20% to the average closing price of approximately HK\$0.357 per Share as quoted on the Stock Exchange for the past five trading days ended on the LPD; and
- (iii) a discount of approximately 19% to the average closing price of approximately HK\$0.350 per Share as quoted on the Stock Exchange for the past ten trading days ended on the LPD.

SHARES TO BE ISSUED UPON EXERCISE OF THE WARRANTS

On the basis of 693,906,995 Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, 138,781,399 Warrants would be issued pursuant to the Bonus Warrant Issue. Full exercise of the subscription rights attaching to the 138,781,399 Warrants would result in the issue of 138,781,399 New Shares, representing approximately 20% of the issued ordinary share capital of the Company as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of such New Shares. Based on the initial subscription price of HK\$0.285 per New Share, the Company would receive the subscription monies totaling up to approximately HK\$39.55 million.

FRACTIONAL ENTITLEMENTS

Fractional entitlements to the Warrants (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

OVERSEAS SHAREHOLDERS

In determining whether it would be necessary or expedient to exclude an Overseas Shareholder who is registered as a member of the Company as at the close of business on the Record Date, the Directors will make enquiry pursuant to Rule 13.36 of the Listing Rules regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place in

which such Overseas Shareholder is residing. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Warrants will not be granted to such Overseas Shareholder.

In view of the above, Warrants which would otherwise be issued to such Overseas Shareholder under the Bonus Warrant Issue will be sold in the market as soon as possible if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to such Overseas Shareholder. Remittance thereof will be posted to such Overseas Shareholder at his/her/its own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

CONDITIONS TO THE BONUS WARRANT ISSUE

The Bonus Warrant Issue will be conditional upon, among other things, the following conditions:

- (a) the passing by the Shareholders at the SGM of the necessary resolution(s) to approve the issue of the Warrants and any New Shares and any transactions contemplated thereunder; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any New Shares.

REASONS FOR THE BONUS WARRANT ISSUE

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 Directors believe that the Bonus Warrant Issue will provide the Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrant Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Warrants are exercised.

The Company intends to apply any subscription monies received as and when subscription rights are exercised towards general working capital of the Group.

FUND RAISING ACTIVITIES OF THE GROUP IN THE PAST TWELVE MONTHS

The Company issued bonus warrants on 18 November 2019, which expired on 17 November 2020. In the past twelve months immediately preceding the LPD, total subscription money approximately HK\$10,507,000 was received upon exercise of such warrants. As at the date of this announcement, approximately HK\$8,921,000 had been used as general working capital of the Group as intended. The Group intends to utilize the remaining balance towards the general working capital of the Group.

On 16 July 2020, the Company entered into a conditional agreement to place up to HK\$23,000,000 convertible bonds (the “**Placement**”). The Placement was completed on 10 August 2020. The net proceeds from the issue of the convertible bonds were HK\$22,770,000. As at the date of this announcement, HK\$15,000,000 and HK\$200,000 had been used, respectively, for the Group’s mortgage financing business and administrative expenses as intended, and the remaining balance of HK\$7,570,000 will be utilized for the Group’s administrative expenses.

Save as disclosed above, the Company has not conducted any fund raising activities by issue or possible issue of equity securities in the past twelve months immediately preceding the LPD.

LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the New Shares. The New Shares will rank *pari passu* in all respects with the then existing issued Shares.

CERTIFICATES FOR THE WARRANTS AND BOARD LOT

Subject to the satisfaction of the conditions to the Bonus Warrant Issue, it is expected that certificates for the Warrants will be posted on or before 17 February 2021 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Stock Exchange on 18 February 2021.

The Warrants are expected to be traded on the Stock Exchange in board lots of 20,000 Warrants carrying rights to subscribe for 20,000 New Shares at the initial subscription price of HK\$0.285 per New Share (subject to adjustment).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 February to 5 February 2021 (both days inclusive) in order to establish entitlements of the Shareholders to the Bonus Warrant Issue.

The last day for dealing in Shares cum-entitlements to the Bonus Warrant Issue will be 1 February 2021. In order to qualify for the Bonus Warrant Issue, all transfer documents accompanied by the relevant share certificates and subscription monies must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 3 February 2021.

EXPECTED TIMETABLE

The expected timetable for the Bonus Warrant Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Bonus Warrant Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate in compliance with the Listing Rules.

The expected timetable for implementing the Bonus Warrant Issue is set forth below:

2021

Closure of register of members of the Company for the purpose of ascertaining the Shareholders' rights to attend and vote at the SGM.....	Thursday, 21 January to Tuesday, 26 January (both days inclusive)
Latest time for lodging proxy forms for the SGM.....	11:45 a.m. on Sunday, 24 January
SGM.....	11:45 a.m. on Tuesday, 26 January
Announcement of the results of the SGM	Tuesday, 26 January
Last day of dealings in Shares cum-entitlements to the Bonus Warrant Issue.....	Monday, 1 February
First day of dealings in Shares ex-entitlements to the Bonus Warrant Issue.....	Tuesday, 2 February
Latest time for lodging forms of transfer of Shares to ensure entitlement to the Bonus Warrant Issue	4:30 p.m. on Wednesday, 3 February
Closure of register of members of the Company for the purpose of ascertaining the Shareholders' rights to the Bonus Warrant Issue	Thursday, 4 February Friday, 5 February (both days inclusive)
Record Date	Friday, 5 February
Despatch of the Warrant certificates by	Wednesday, 17 February
Commencement of dealings in the Warrants	9:00 a.m. on Thursday, 18 February

GENERAL

A circular containing, among other things, further details of the Bonus Warrant Issue and a notice of the SGM will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Bonus Warrant Issue”	the proposed bonus issue of Warrants by the Company to the Qualifying Shareholders on the basis of one (1) Warrant for every five (5) Shares held on the Record Date
“Company”	Styland Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors are of the view that it would be necessary or expedient to exclude from the Bonus Warrant Issue under the laws of the places of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	Shareholder(s) other than the Excluded Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date

“Record Date”	5 February 2021, being the record date for ascertaining the entitlements of Shareholders to the Bonus Warrant Issue
“SGM”	the special general meeting of the Company to be convened to approve, among other things, the Bonus Warrant Issue
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	warrant(s) proposed to be issued by the Company to subscribe for New Share(s) at an initial subscription price of HK\$0.285 per New Share, subject to adjustment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Styland Holdings Limited
Li Hancheng
Non-executive Chairman

Hong Kong, 23 December 2020

As at the date of this announcement, the executive Directors are Mr. Cheung Hoo Win, Mr. Ng Yiu Chuen and Ms. Mak Kit Ping, and the independent non-executive Directors are Mr. Li Hancheng, Mr. Yeung Shun Kee and Mr. Lo Tsz Fung Philip.