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# STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)  
(Stock code: 211)

## DISCLOSEABLE TRANSACTION UNDER THE RULE 14.06(2) AND DISCLOSURE REQUIREMENT UNDER RULE 13.14

### Financial Assurances and Advances to Entities

The Group announces the granting of accumulated Financial Assurances of HK\$2,311,000 to Star Master as of 27 January 2005. The applicable percentage ratios calculated pursuant to 14.07 of the Listing Rules exceeded 5% but were less than 25%. The granting of Financial Assurances to Star Master constituted a discloseable transaction pursuant to Rule 14.06(2) of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules. A circular will be dispatched to shareholders for their information as soon as possible, in any event within 21 days after the publication of this announcement.

The Group also announces, pursuant to Rule 13.14, the advances to Rosewood, Victorious and Robina amounted to HK\$15,130,000 as of 21 April 2005 representing 3.6% increase in the relevant percentage ratios calculated pursuant to Rule 14.07 since its previous disclosure.

At the request of the Company, trading in the shares of the Company was suspended from 9:36 a.m. on 21 April 2004. Trading in the shares of the Company will remain suspended until further notice.

#### FINANCIAL ASSISTANCES

The Company, through Ever-Long, engages in securities dealings & brokerage and margin financing businesses.

As of 27 January 2005, Ever-Long granted accumulated Financial Assurances of HK\$2,311,000 to Star Master.

The interest rate charged to Star Master is 3% over the Prime Rate. Ever-Long will assess the total outstanding Financial Assurances which include principals and accumulated interests in determining the sufficiency of the securities placed by Star Master from time to time. A penalty rate at 6% over the Prime Rate will be imposed for any excess of its credit limit and the whole amount of Financial Assurances will become immediately repayable to Ever-Long if it fails to provide additional deposits or collateral upon request. The market value of the collateral in form of listed shares placed by Star Master with Ever-Long for the total Financial Assurances was HK\$6,580,000 as at 27 January 2005.

The applicable percentage ratios for the granting of accumulated Financial Assurances to Star Master calculated pursuant to 14.07 of the Listing Rules exceeded 5% but were less than 25%. The granting of Financial Assurances constituted a discloseable transaction pursuant to Rule 14.06(2) of the Listing Rules and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules. A circular will be despatched to shareholders for their information as soon as possible, in any event within 21 days after the publication of this announcement.

The Financial Assurances were granted based on assessment of financial status and repayment records of and the liquidity of collaterals placed by Star Master and the interest rates were also determined thereon. The Directors are of the view that granting of the Financial Assurances to Star Master will expand the revenue resources of the Group. The Directors believe that the terms of the granting of the Financial Assurances to Star Master are fair and reasonable and the granting of the Financial Assurances to Star Master is in the interests of the Company and the shareholders as a whole.

Star Master is an investment company. It and its beneficial owners are independent third parties to the Company and not connected persons (as defined in the Listing Rules) of the Company.

The principal activities of the Group consist of investment holding, securities dealing & brokerage, money lending, general trading and property development and investment.

#### ADVANCES TO ENTITIES

Reference is made to the announcement dated 11 October 2004, in which the Company announced that Ever-Long granted, in total, the Financial Assurances of HK\$13,639,000 to Rosewood as of 1 June 2004.

As Rosewood, Victorious and Robina are companies ultimately controlled by an individual and they are considered parties connected or associated with each other, the Group will therefore aggregate the Financial Assurances to them in determining if the total Financial Assurances to them fall into the Rule 13.13, 13.14, 13.15 and 13.20 of the Listing Rules. As of 21 April 2005, the aggregate Financial Assurances to Rosewood, Victorious and Robina were HK\$15,130,000 representing an increase of 3.6% in the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules since the previous disclosure and constituted a general disclosure obligation under Rule 13.14.

The interest rates charged to Rosewood, Victorious and Robina are 4%, 3% and 3% respectively over the Prime Rate. The market value of listed shares placed by Rosewood, Victorious and Robina as collateral was HK\$90,822,000 on 21 April 2005. Once the market value of the collateral drops to an unacceptable level by reference to internal guideline of Ever-Long and the whole amount of Financial Assurances will become immediately repayable to Ever-Long if they fail to provide additional deposits or collateral upon request. A penalty rate at 6% over the Prime Rate will be charged to Victorious and Robina for any excess of its credit limit.

Rosewood, Victorious and Robina and their beneficial owners are independent third parties to the Company and not connected persons (as defined in the Listing Rules) of the Company.

The Company will fulfil the continuing disclosure obligation under Rule 13.20 of the Listing Rules for so long as the circumstances giving rise to such disclosure obligation continue to exist at its interim period end and/or annual financial year end.

## **GENERAL**

The Directors confirm that save as disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 14 and/or 14A of the Listing Rules. The Directors are not aware of any matter or material information that is discloseable or should be brought to the attention of the shareholders of the Company under the general obligation of disclosure under Chapter 13 of the Listing Rules.

## **OTHER INFORMATION**

As at the date of this announcement, the board of Directors consists of four executive directors, Mr. Tam Wing Fai Johnny, Ms. Yeung Han Yi Yvonne, Ms. Chan Chi Mei Miranda, Mr. Ching Suet Ming and three independent non-executive directors, Mr. Lim Man San David, Mr. Yeung Shun Kee Edward and Mr. Chow Pat Kan.

At the request of the Company, trading in the shares of the Company was suspended from 9:36 a.m. on 21 April 2004. Trading in the shares of the Company will remain suspended until further notice.

## **DEFINITIONS:**

“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“Ever-Long”	Ever-Long Securities Company Limited, a wholly owned subsidiary of the Company
“Financial Assistances”	the loans granted under the Group’s securities dealings & brokering and margin financing businesses
“Group”	the Company and its subsidiaries
“Star Master”	Star Master International Limited, a margin client of Ever-Long
“Prime Rate”	Hong Kong prime rate per annum quoted by Wing Hang Bank Limited
“Robina”	Robina Profits Limited, a margin client of Ever-Long
“Rosewood”	Rosewood Assets Limited, a margin client of Ever-Long
“Listing Rules”	The Rules of governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Victorious”	Victorious Limited, a margin client of Ever-Long

By Order of the Board  
**STYLAND HOLDINGS LIMITED**  
**Tam Wing Fai Johnny**  
*Managing Director*

Hong Kong, 11 January 2006

Please also refer to the published version of this announcement in IHT.