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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: 2403)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE TENANCY AGREEMENT**

#### **THE TENANCY AGREEMENT**

The Board is pleased to announce that on 27 September 2024, the Tenant (an indirect wholly-owned subsidiary of the Company) and the Landlord (an Independent Third Party) entered into the Tenancy Agreement in respect of the lease of the Premises commencing from 1 October 2024 to 30 September 2028 (both days inclusive) for use as the principal place of business of the Group in Hong Kong.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to HKFRS 16, as a result of the entering into the Tenancy Agreement, the Group shall recognise the right-of-use asset in connection with the Tenancy Agreement on the consolidated financial statements of the Company, and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with the Listing Rules.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Tenancy Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceed 5% but are below 25%, the entering into the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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**PRINCIPAL TERMS OF THE TENANCY AGREEMENT**

A summary of the principal terms of the Tenancy Agreement are set out below:

- Date** 27 September 2024
- Parties** (a) the Landlord, as landlord; and
- (b) the Tenant (an indirect wholly-owned subsidiary of the Company), as tenant

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

**Premises** Suites 301-3, 3rd Floor, 12 Taikoo Wan Road, Taikoo Shing, Hong Kong

**Use of the Premises** For the principal place of business of the Group in Hong Kong

**Term** Three years and six months commencing from the date immediately after the date of expiration of the licence period

**Licence period** Six months commencing on 1 October 2024 and expiring on 31 March 2025 (both days inclusive) without payment of any licence fee

**Rent-free periods** 1<sup>st</sup>, 2<sup>nd</sup>, 7<sup>th</sup>, 8<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup>, 31<sup>st</sup> and 32<sup>nd</sup> months of the term and also the first 22 days of the 33<sup>rd</sup> month of the term

**Rental payment** The monthly rent payable by the Tenant to the Landlord under the Tenancy Agreement exclusive of air-conditioning and management charges and government rates should be as follows:

- (i) For the 1<sup>st</sup> to 18<sup>th</sup> months (inclusive) of the term, HK\$191,280 per month; and

- (ii) For the 19<sup>th</sup> to 42<sup>nd</sup> months (inclusive) of the term, HK\$200,844 per month

The total rent payable under the Tenancy Agreement exclusive of air-conditioning and management charges and government rates is approximately HK\$6,552,000.

**Deposit**

A cash security deposit equivalent to three months' highest rent and air-conditioning and management charges in the sum of HK\$715,865 shall be payable by the Tenant.

The terms of the Tenancy Agreement were determined after arm's length negotiations between the Landlord and the Tenant and with reference to the prevailing market rental for properties of similar type, age and location.

**INFORMATION OF THE PARTIES**

**The Tenant and the Group**

The Company is an investment holding company. The principal activities of the Group are provision of financial services, mortgage financing, insurance brokerage, property development and investment, and securities trading.

The Tenant is an indirect wholly-owned subsidiary of the Company and is principally engaged in property investment.

**The Landlord**

The Landlord is principally engaged in property investment and leasing in Hong Kong. The Landlord is an affiliated company of a private equity fund management company focusing on real estate markets in Asia Pacific and other high barrier-to-entry markets globally.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT**

The principal place of business of the Group in Hong Kong is located at Rooms 1101, 1102, 1111 and 1112, 11/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong, with a monthly rent of HK\$354,500 (exclusive of rates, management fees and air-conditioning charges and other outgoings), and the lease of which is expiring on 31 October 2024. The Board is of the view that entering into the Tenancy Agreement provides the Group with an opportunity to benefit from a lower rental rate. The Company will publish an announcement in relation to the change of principal place of business in Hong Kong in due course.

The terms of the Tenancy Agreement, including the rental payment, were determined after arm's length negotiations between the Landlord and the Tenant and with reference to the prevailing market rental for properties of similar type, age and location. Having taken into account the above reasons and benefits, the Board therefore considers that the terms of the Tenancy Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **THE RIGHT-OF-USE ASSET**

Pursuant to HKFRS 16, as a result of the entering into the Tenancy Agreement, the Group shall recognise the right-of-use asset on the consolidated financial statements of the Company, and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with the Listing Rules. The estimated value of the right-of-use asset to be recognised by the Company under the Tenancy Agreement shall amount to approximately HK\$5,840,000 million. The amount of rental payments over the term will be settled out of the internal financial resources of the Group.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Tenancy Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceed 5% but are below 25%, the entering into the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **DEFINITIONS**

The following terms shall have the following meanings ascribed to them respectively in this announcement unless the context otherwise requires:

“Board”	the board of Directors from time to time
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who is(are) independent of and not connected with the Company and its connected persons (having the meaning ascribed to it under the Listing Rules)
“Landlord”	Goodwill Lion Limited, a company incorporated in the British Virgin Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	suites 301-3, 3rd Floor, 12 Taikoo Wan Road, Taikoo Shing, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement or any document designated as such entered into between the Tenant and the Landlord on 27 September 2024 in relation to the lease of the Premises
“Tenant”	Profit Noble Investments Limited, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 27 September 2024

*As at the date of this announcement, the executive Directors are Mr. Cheung Hoo Win and Mr. Ng Yiu Chuen; and the independent non-executive Directors are Mr. Li Hancheng, Mr. Lo Tsz Fung Philip and Ms. Ling Sui Ngor.*