

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



STYLAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

RESULT WARNING

The Board of Styland Holdings Limited wishes to inform the shareholders of the Company that the Chinese CJV partner of the Group's investment in the National Highway 318 in Wuhan, China, Wuhan Traffic Development Company had unilaterally decided and relocated the toll station of the Toll Road, disregarding the objection of the Group. On a prudent basis, substantial provision may be required to make for the investment in the Toll Road. **In accordance with the Listing Rules, this announcement is made and shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.**

Trading in the shares of the Company was suspended at the request of the Company from 9:30 a.m. on 27th February, 2004 pending the release of this announcement. Application has been made for the resumption of trading in the shares at 9:30 a.m. on 1st March, 2004.

The board of directors (the "Board") of Styland Holdings Limited (the "Company", which together with its subsidiaries are collectively referred to as the "Group") wishes to inform the shareholders of the Company that, due to the expansion of Wuhan Economic and Technology Development Zone, the Chinese contractual joint venture partner of the Group's investment in the National Highway 318 in Wuhan, China ("Toll Road"), Wuhan Traffic Development Company had unilaterally decided and relocated the toll station of the Toll Road ("Re-location") in November and December, 2003 respectively, disregarding the objection of the Group. The new toll station is now located 8 kilometres away west from the old toll station.

The Group, through its non wholly-owned subsidiaries, holds 48.67% shareholding interests in the said contractual joint venture (the "CJV"). As at 30th September, 2003, the net book value of the Group's interest in the CJV after minority interest was approximately HK\$173 million, representing 63% of the Group's net assets value of even day. The losses attributable to the Group's shareholding in the CJV for the year ended 31st March, 2002 and 2003 were HK\$18 million and HK\$19 million respectively. As the Group's interests in the CJV were pledged to secure the banking facilities granted to the Group's investment in the CJV, the bank was informed of the Re-location accordingly. Up to now, the Group did not receive any action taken by the bank. As the Re-location offers alternative road for vehicle users, traffic flows of the Toll Road have therefore decreased, which will affect the income from the Toll Road. On a prudent basis, a substantial provision, which cannot be assessed at the moment, may be required to make for the investment of the Toll Road. **In accordance with the Listing Agreement, this announcement is made and shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.**

The Board is currently assessing the impact of the Re-location on the Group's overall business and is adopting measures to relieve any adverse effect that such change may have on the Group. The Group is presently unable to quantify precisely the extent of the provision for the current financial year ended 31st March, 2004, however, further announcement will be made once the Group can finalize the provision. The Company intends to release its audited annual results by the end of July, 2004, which will contain further details thereon.

Trading in the shares of the Company was suspended at the request of the Company from 9:30 a.m. on 27th February, 2004 pending the release of this announcement. Application has been made for the resumption of trading in the shares at 9:30 a.m. on 1st March, 2004.

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

Hong Kong, 27th February, 2004

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