



Styland Holdings Limited

(Incorporated in Bermuda with limited liability)

RESULTS OF SGM AND DESPATCH OF RIGHTS ISSUE DOCUMENTS

Financial adviser to the Company



International Capital Network Limited

Co-Financial adviser to the Company



Ever-Long Securities Co. Ltd.

The Directors are pleased to announce that at the SGM held on 5 November 2001, the Shareholders approved the resolutions unanimously in respect of the Rights Issue and the grant of the general mandates for the issue and repurchase of securities of the Company. The Directors confirmed that the quorum of the SGM has been legally attained.

Subject to the fulfillment of the conditions stated below, a total number of 997,571,580 Rights Shares will be issued under the Rights Issue.

The Rights Issue prospectus, provisional allotment letters and forms of application for excess Rights Shares (being the Rights Issue Documents), will be despatched to the Qualifying Shareholders and the Rights Issue prospectus will be despatched, for information only, to the Overseas Shareholders on 7 November 2001.

The latest time for acceptance of and payment for Rights Shares is 4:00 p.m. on 26 November 2001. It should be noted that the Underwriters have the right to terminate the arrangements set out in the Underwriting Agreement, on the occurrence of certain events stated below under the heading "Termination and Force Majeure", which right is jointly exercisable by Ever-Long Securities Company Limited and International Capital Network Limited on their behalf by notice in writing to the Company at any time prior to 4:00 p.m. on 28 November 2001 (being the second business day following the last day for acceptance of the Rights Issue). If Ever-Long Securities Company Limited and International Capital Network Limited jointly terminate the Underwriting Agreement on behalf of the Underwriters, then the Rights Issue will not proceed. Any person dealing in the securities of the Company during the period from 24 October 2001 up to 28 November 2001 (being the date on which all such conditions are fulfilled) and any person dealing in nil-paid Rights Shares from 9 November 2001 to 21 November 2001 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person dealing or contemplating dealing in the securities of the Company and/ or nil-paid Rights Shares during such periods who is in any doubt about his position is recommended to consult his own professional adviser.

BACKGROUND

The Directors announced on 5 October 2001 and 19 October 2001 that the Company proposed to raise approximately HK\$30 million before expenses by issuing not less than 997,571,580 Rights Shares at a price of HK\$0.03 per Rights Share on the basis of two Rights Shares for every existing Share held on the Record Date. Unless the context requires otherwise, terms used herein shall have the same meanings as defined in the announcements of the company dated 5 October 2001 and 19 October 2001 and the circular of the Company dated 19 October 2001.

APPROVAL OF THE RIGHTS ISSUE AND GENERAL MANDATE FOR ISSUE AND REPURCHASE OF SECURITIES

The Directors are pleased to announce that the resolution in respect of the Rights Issue and the resolutions in respect of the grant of the general mandates for the issue and repurchase of securities of the Company were passed by the Shareholders unanimously at the SGM held on 5 November 2001. The Directors confirmed that the quorum of the SGM has been legally attained.

DESPATCH OF RIGHTS ISSUE DOCUMENTS

The Rights Issue Documents will be despatched to the Qualifying Shareholders and the Rights Issue prospectus will be despatched, for information only, to the Overseas Shareholders on 7 November 2001. Copies of the Rights Issue Documents will be filed with the Registrar of Companies in Bermuda in accordance with the requirements of the Companies Act 1981 of Bermuda (as amended) on 6 November 2001 and registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance of Hong Kong on 7 November 2001.

Expected Timetable

2001

Record Date for the Rights Issue	Monday, 5 November
Despatch of Rights Issue Documents	Wednesday, 7 November
First day of dealings in nil-paid Rights Shares	Friday, 9 November
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Friday, 16 November
Last day of dealings in nil-paid Rights Shares	Wednesday, 21 November
Latest time for payment and acceptance of Rights Shares	4:00 p.m. on Monday, 26 November
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 28 November
Announcement of result of acceptance	Thursday, 29 November
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful applications for excess Rights Shares	Friday, 30 November
Despatch of certificates for Rights Shares	Friday, 30 November
Dealing in fully-paid Rights Share commences	Wednesday, 5 December
Latest time for free exchange of existing share certificates for new share certificates	4:00 p.m. Thursday, 6 December
Last day of operation of odd lot trading facility	Thursday, 6 December

It should be noted that the existing Shares have been dealt in on an ex-rights basis as from 24 October 2001 and that the Rights Shares will be dealt in their nil paid form from 9 November 2001 to 21 November 2001 (both days inclusive). Such dealings will take place when the conditions to which the Rights Issue is subject remain unfulfilled. **Any person dealing in the securities of the Company during the period from 24 October 2001 up to 28 November 2001 (being the date on which all such conditions are fulfilled) and any person dealing in nil-paid Rights Shares from 9 November 2001 to 21 November 2001 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person dealing or contemplating dealing in the securities of the Company and/ or nil-paid Rights Shares during such periods who is in any doubt about his position is recommended to consult his own professional adviser.**

Adjustment to the subscription price of the Warrants

Subject to the Rights Issue becoming unconditional and on the basis of the adjustment formula contained in the warrant instrument constituting the Warrants, the subscription price payable upon the exercise of the subscription rights attaching to the Warrants should be adjusted from HK\$0.29 per Share to HK\$0.12 per Share with effect from 6 November 2001, being the business day immediately following the Record Date, as a result of the Rights Issue. Such adjustment to the subscription price of the Warrants has been confirmed by the auditors of the Company, Ernst and Young, as being properly adjusted in accordance with the terms and conditions of the warrant instrument constituting the Warrants.

Adjustment to the number of Shares to be subscribed and the exercise price of the Options

Subject to the Rights Issue becoming unconditional and in accordance with the provisions of the share option scheme adopted by the Company on 13 November 1991, the maximum number of Shares to be issued pursuant to exercise of the outstanding Options expiring on 20 April 2002 should be increased from 6,725,000 to 20,175,000 Shares and the exercise price of the Options should be adjusted from HK\$0.75 per Share to HK\$0.25 per Share. These adjustments have been confirmed by the auditors of the Company, Ernst and Young, as being properly adjusted in accordance with the terms and conditions of the share option scheme of the Company.

TERMINATION AND FORCE MAJEURE

The Underwriters may terminate the arrangements set out in the Underwriting Agreement which right is exercisable by Ever-Long Securities Company Limited ("Ever-Long") and International Capital Network Limited ("ICN") (both on behalf of the Underwriters) by giving a notice in writing to the Company at any time prior to 4:00 p.m. on 28 November 2001, being the second business day following the last day for acceptance of the Rights Issue if:

- (a) the occurrence of the following events would, in the opinion of both Ever-Long and ICN (both on behalf of the Underwriters) materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise make it inexpedient or inadvisable for the Company or the Underwriters to proceed with the Rights Issue:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
 - (ii) 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, currency (including a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States of America) or other nature; or
 - (iii) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities and volatility in market conditions in Hong Kong or elsewhere shall be a factor in determining whether there has been or there is likely to be an occurrence or change in market conditions);
- (b) any change occurs in the circumstances of the Company or any member of the Group which would materially and adversely affect the prospects of the Group as a whole;
- (c) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (d) Ever-Long and ICN (both on behalf of the Underwriters) shall receive notification of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given or at the relevant times, untrue or inaccurate and Ever-Long and ICN (both on behalf of the Underwriters) shall determine that any such untrue or inaccurate representation or warranty, represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have an adverse effect on the Rights Issue; or
- (e) the Company shall fail promptly to send out any announcement or circular (after the despatch of the Rights Issue Documents), in such manner (and as appropriate with such contents) as Ever-Long and ICN (both on behalf of the Underwriters) may request for the purpose of preventing the creation of a false market in the securities of the Company.

If Ever-Long and ICN (both on behalf of the Underwriters) terminate the Underwriting Agreement, the Rights Issue will not proceed.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, amongst other things, the following conditions being fulfilled on or before 4:00 p.m. on 28 November 2001, being the second business day immediately after the last day for acceptance of the Rights Issue:

1. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms before 9 November 2001, being the expected date of commencement of dealings in the Rights Shares in nil-paid form; and
2. Ever-long and ICN (both on behalf of the Underwriters) not exercising their right to terminate the Underwriting Agreement..

By Order of the Board
Styland Holdings Limited
Steven Wang Tai Li
Director

Hong Kong, 5 November 2001