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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: 1595)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

Reference is made to the section headed “Basis for Qualified Opinion” contained in the Independent Auditor’s Report for the year ended 31 March 2018 of Styland Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) contained in the annual report of the Company for the year ended 31 March 2018, and the Company’s announcement dated 1 November 2018. Unless the context otherwise defined, capitalized terms used in this announcement should have the same meanings as those defined in the Independent Auditor’s Report.

The board of directors (the “**Directors**”) of the Company wishes to provide updated information in respect of the clearance of audit qualifications.

\* *For identification purposes only*

## **In relation to the Valuation of the Equity Fund for the Year Ended 31 March 2018**

The valuer engaged by the Group itself has completed the valuation (the “**Valuation**”). As such, the Group would make the following prior year adjustments to its audited consolidated financial statements for the year ended 31 March 2018:

	<b>As at 31 March 2018 (issued)</b>	<b>Adjustments</b>	<b>As at 31 March 2018 (restated)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Dr/(Cr)	Dr/(Cr)	Dr/(Cr)
Available-for-sale financial assets			
– Unlisted investment in equity fund	72,499	(34,011)	38,488
Reserves for available-for-sale financial assets	(33,734)	32,531	(1,203)
Non-controlling interests	1,410	1,480	2,890

Accordingly, the above same adjustments would also be made to the condensed consolidated financial statements for the six months ended 30 September 2018. Those adjustments did not have any effect on either the profit or loss for the year ended 31 March 2018 or the six months ended 30 September 2018.

The Company’s valuer has discussed with the auditor about the basis and assumptions for the Valuation of the Equity Fund. After communication with the auditor, the Company believes that there would be no longer any disagreement between it and the auditor on the Valuation of the Equity Fund as at 31 March 2018.

## **In relation to the Carrying Balance of the Equity Fund as at 31 March 2017**

After discussion with the valuer about the available information surrounding the Group’s investment in the Equity Fund during the year ended 31 March 2017, the Group believes that the fair value of the Equity Fund as at 31 March 2017, which approximated to its then cost, could be reliably measured. After communication with the auditor, the Company believes that there would be no longer any disagreement between it and the auditor on the measurement of the Equity Fund as at 31 March 2017.

The Company believes that the audit qualification issues about the fair values of the Equity Fund as at 31 March 2017 and 2018 respectively will be resolved for the year ending 31 March 2019 in view of the above measures taken by the Company.

## **Action Plan for the Year Ending 31 March 2019**

Notwithstanding the settlement of audit qualification issues about the valuations of the Equity Fund as at 31 March 2017 and 2018, the Group still considers the possibility to dispose of the Equity Fund so as to prevent the existence of any new audit issues in respect of the fair value of the Equity Fund for the year ending 31 March 2019.

By order of the Board  
**Styland Holdings Limited**  
**Zhao Qingji**  
*Chairman*

Hong Kong, 1 March 2019

*As at the date of this announcement, the executive Directors are Mr. Cheung Hoo Win, Mr. Ng Yiu Chuen, Ms. Mak Kit Ping, Ms. Zhang Yuyan and Ms. Chen Lili and the independent non-executive Directors are Mr. Zhao Qingji, Mr. Yeung Shun Kee, Mr. Li Hancheng, Mr. Lo Tsz Fung Philip and Mr. Lee Kwok Yin Denthur.*