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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)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

The Company announces that on 29 December 2023, Devonia, an indirect wholly-owned subsidiary of the Company, as landlord has entered into the Tenancy Agreement with the Tenant as tenant for a term of three years commencing from 1 January 2024.

The transactions contemplated under the Tenancy Agreement constitute continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios (as defined in the Listing Rules) in respect of the annual cap under the Tenancy Agreement is less than 25% and the annual consideration is less than HK\$10,000,000, the transactions contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular and the independent Shareholders' approval requirements.

TENANCY AGREEMENT

The Company announces that on 29 December 2023, Devonia, an indirect wholly-owned subsidiary of the Company, as landlord entered into the Tenancy Agreement with the Tenant as tenant for a term of three years commencing from 1 January 2024.

The salient terms of the Tenancy Agreement are set out below:

Date: 29 December 2023

* *For identification purpose only*

Parties:

- (i) Devonian as landlord; and
- (ii) the Tenant as tenant

Devonian is a company incorporated in Hong Kong with limited liability and is the owner of the Property. Devonian is an indirect wholly-owned subsidiary of the Company.

The Tenant is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheung, who is the father of Mr. Cheung Hoo Win, the executive Director, and is accordingly a connected person of the Company as defined under the Listing Rules.

Property

House 4, Customs Pass, No. 18 Fei Ngo Shan Road, Sai Kung, New Territories

Term

Three (3) years commencing from 1 January 2024

Rental Deposit

HK\$1,000,000, being a sum equivalent to two months' rent to secure the due observance and performance by the Tenant of the Tenancy Agreement

Rent and Annual Cap

The monthly rent for the Property shall be HK\$500,000, which shall be payable in advance on the 1st day of each and every calendar month.

All charges for water, gas and electricity, rates, government rent, management fees and outgoings of a capital and non-recurring nature shall be paid by Devonian.

Based on the monthly rental payment under the Tenancy Agreement, the maximum annual cap for the transactions contemplated under the Tenancy Agreement for each of the three years during the term of the Tenancy Agreement shall be HK\$6,000,000.

The monthly rent under the Tenancy Agreement was determined after arm's length negotiations with reference to the monthly rental of other similar premises in the Hong Kong market and the professional valuation report issued by an independent valuer dated 16 March 2023.

The Directors, including the independent non-executive Directors, consider that the monthly rent and annual cap are fair and reasonable and in the interests of the Company and the independent Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

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

The Property is held by the Group as investment for rental purposes and the entering into of the Tenancy Agreement will contribute rental income to the Group. Since the Tenant is a connected person to the Company, the Company would prefer to rent the Property to such tenant which the Company is familiar with and which it can ensure punctual rental payment.

The terms of the Tenancy Agreement were arrived at after arm's length negotiations between the Company and the Tenant with reference to the market terms of similar properties in Hong Kong and also the professional valuation report obtained by the Company.

The Directors, including the independent non-executive Directors, consider that the transactions contemplated under the Tenancy Agreement are in the ordinary and usual course of business of the Group and the terms of the Tenancy Agreements are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the independent Shareholders as a whole.

Mr. Cheung Hoo Win, being an executive Director who is deemed to have a material interest in the transaction contemplated under the Tenancy Agreement, has abstained from voting on the relevant Board resolutions approving the Tenancy Agreement. Save as disclosed above, no other Directors is deemed to have a material interest in the Tenancy Agreement and no other Directors is required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

The Tenant is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheung, who is the father of Mr. Cheung Hoo Win, the executive Director, and is accordingly a connected person of the Company as defined under the Listing Rules.

The transactions contemplated under the Tenancy Agreement constitute continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the annual cap for the Tenancy Agreement is less than 25% and the annual consideration is less than HK\$10,000,000, the transactions contemplated under the Tenancy Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular and the independent Shareholders' approval requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Devonia”	Devonia Development Limited, an indirect wholly-owned subsidiary of the Company and the owner of the Property
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheung”	Mr. Cheung Chi Shing, who is the father of Mr. Cheung Hoo Win, the executive Director
“Property”	the property known as House 4, Customs Pass, No. 18 Fei Ngo Shan Road, Sai Kung, New Territories
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 29 December 2023 and entered into between Devonia as landlord and the Tenant as tenant in relation to the rent of the Property

“Tenant”	K.C. (Asset) Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheung
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

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

Hong Kong, 29 December 2023

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