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STYLAND HOLDINGS LIMITED

大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)

DISCLOSEABLE TRANSACTION: PROVISION OF FINANCIAL ASSISTANCE

On 11 November 2019, Ever-Long Capital, an indirect wholly-owned subsidiary of the Company as lender and Magic Chance as borrower entered into the Loan Agreement pursuant to which Ever-Long Capital has agreed to grant the secured Loan in the amount of HK\$15,000,000 to Magic Chance subject to and conditional upon the terms of the Loan Agreement.

As one or more the applicable percentage ratios under the Listing Rules exceed 5% but are all less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

On 11 November 2019, Ever-Long Capital, an indirect wholly-owned subsidiary of the Company, as lender and Magic Chance as borrower entered into the Loan Agreement pursuant to which Ever-Long Capital has agreed to grant the Loan in the amount of HK\$15,000,000 to Magic Chance for the availability period commencing on the date of the Loan Agreement ending on 10 May 2020 (or such longer period as may be extended subject to mutual agreement) (the “**Repayment Date**”) subject to and conditional upon the terms of the Loan Agreement. A summary of the principal terms of the Loan Agreement is set out below.

* *For identification purpose only*

THE LOAN AGREEMENT

Date: 11 November 2019

Parties: (1) Ever-Long Capital as lender
(2) Magic Chance as borrower

Ever-Long Capital is a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company. Ever-Long Capital holds a valid Money Lenders License as at the date of the Loan Agreement.

Magic Chance is a company incorporated in the British Virgin Islands and is principally engaged in securities trading. Magic Chance is a wholly-owned subsidiary of ISR (the “**Guarantor**”), a company incorporated in Hong Kong with limited liability and the issued ISR Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 91).

ISR and its subsidiaries are principally engaged in (i) coalbed methane gas exploration and exploitation in the PRC, (ii) sale of electronic components and (iii) treasury which include securities trading and money lending.

As at the date of the Loan Agreement, the Group holds 62,820,366 ISR Shares, representing approximately 8.66% issued share capital of the Guarantor and warrants entitling the Group to subscribe for 12,564,073 ISR Shares. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for the shareholding of the Group in ISR as disclosed above, Magic Chance, ISR and their ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the Loan Agreement, Ever-Long Capital has agreed to grant the Loan in the amount of HK\$15,000,000 to Magic Chance subject to and conditional upon the terms and conditions set out in the Loan Agreement.

Ever-Long Capital has assessed the background of ISR and reviewed its published financial statements to assess the credibility of Magic Chance and ISR. To the best of the Directors’ knowledge and information, the Directors are not aware of any default by ISR and Magic Chance.

- Guarantee:** The Loan is secured, among others, by a corporate guarantee executed by the Guarantor dated even date of the Loan Agreement in favour of Ever-Long Capital.
- Security:** The Loan is secured, among others, by a charge of all shares, including listed and unlisted, and cash owned by Magic Chance in a securities trading account held in the designated custodian under the Loan Agreement.
- Principal:** HK\$15,000,000
- Interest rate:** 2% per month, payable monthly
- Term:** from the date of drawing till the Repayment Date
- Repayment:** Magic Chance shall repay the principal amount of the Loan together with any outstanding interest accrued thereon and the relevant indebtedness on the due date of the Loan.
- Event of Default:** If any event of default under the Loan Agreement has occurred and has not been remedied within 7 days of the occurrence thereof, Ever-Long Capital may by notice to Magic Chance, declare that the Loan including all accrued interest and all other amounts due under the Loan Agreement are due.

Funding of the Loan

The Group will finance the Loan with its internal resources. In light of the current market environment, the Group would continue to stick to its prudent and cautious approach when conducting its money lending business. At the same time, the Group would also seek to manage its funding efficiently to generate maximum return for its Shareholders.

INFORMATION ON THE GROUP AND EVER-LONG CAPITAL

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

Ever-Long Capital is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in money lending and related business in Hong Kong. To the best of the Directors' knowledge, information and belief, Ever-Long Capital holds a valid Money Lenders Licence under the provisions of the Money Lenders Ordinance (Cap. 163, the Laws of Hong Kong) to carry out its business.

REASONS FOR THE LOAN AGREEMENT

The grant of the Loan to Magic Chance is in the ordinary and usual course of business of the Group on normal commercial terms within the meaning of the Listing Rules.

The terms of the Loan Agreement are negotiated on an arm's length basis between Ever-Long Capital and Magic Chance with regarding to, among others, the financial backgrounds of ISR and Magic Chance. The terms of the Loan Agreement are entered into on a normal commercial terms based on the credit policy of Ever-Long Capital. The terms of the Loan including the interest rate charged on Magic Chance are determined with reference to the range of market interest rate.

The Directors consider that the granting of the Loan constitutes provision of financial assistance by the Group under the Listing Rules. Taking into account of the cashflow stream from the expected interest income, the Directors consider that the entering into of the Loan Agreement and the terms and conditions of the Loan Agreement (including the interest rate and principal amount) are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more the applicable percentage ratios under the Listing Rules exceed 5% but are all less than 25%, the entering into of the Loan Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Styland Holdings Limited, a company incorporated in Bermuda with limited liability the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Ever-Long Capital”	Ever-Long Capital Limited, a wholly owned subsidiary of the Group and the lender under the Loan Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“ISR”	International Standard Resources Holdings Limited, a company incorporated in Hong Kong with limited liability and the holding company of Magic Chance
“ISR Share(s)”	the share(s) of ISR
“Loan”	the secured loan in the principal amount of HK\$15,000,000 to be granted by Ever-Long Capital to the Borrower under the Loan Agreement
“Loan Agreement”	the conditional loan agreement dated 11 November 2019 and entered into between Ever-Long Capital as lender and Magic Chance as borrower in respect of the Loan
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Magic Chance”	Magic Chance Investments Ltd, a company incorporated in the British Virgin Islands and the borrower under the Loan Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Styland Holdings Limited
Zhao Qingji
Chairman

Hong Kong, 11 November 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.