

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



SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF THE SALE SHARE AND ASSIGNMENT OF THE SALE LOAN

SETTLEMENT AGREEMENT AND TERMINATION OF THE DISPOSAL

References are made to the announcements (the “**Announcements**”) of Soundwill Holdings Limited (the “**Company**”) dated 11 August 2022, 19 January 2023 and 10 August 2023 and the circular (the “**Circular**”) of the Company dated 23 September 2022, respectively, in relation to the Disposal. Unless otherwise stated, terms defined in the Announcements and the Circular shall have the same meanings when used herein.

SETTLEMENT AGREEMENT AND TERMINATION OF THE DISPOSAL

As disclosed in the announcement of the Company dated 10 August 2023, the Purchaser failed to pay the Seller the Further Deposit as agreed under the Supplemental Agreement. After several rounds of discussions between the parties on a without prejudice basis, the Seller, the Seller Guarantor, the Purchaser and the Purchaser Guarantor agreed to amicably settle the matter and entered into a settlement agreement on 13 September 2023 (the “**Settlement Agreement**”). Pursuant to the Settlement Agreement, among other matters, (i) the parties agreed that the Initial Deposit in the amount of HK\$320,881,500

paid by the Purchaser upon signing of the Sale and Purchase Agreement shall be forfeited by the Seller; (ii) in addition to the forfeiture of the Initial Deposit, the Purchaser shall pay to the Group a non-refundable settlement sum in the amount of HK\$32,000,000 (the “**Settlement Sum**”) upon the signing of the Settlement Agreement; and (iii) in consideration of the forfeiture of the Initial Deposit by the Seller and the payment of the Settlement Sum by the Purchaser, it is agreed by the parties that the Sale and Purchase Agreement shall be terminated and shall cease to have any effect.

FINANCIAL IMPACT OF THE TERMINATION OF THE DISPOSAL

As the Sale and Purchase Agreement is terminated, the Disposal as contemplated under the Sale and Purchase Agreement will not proceed, and the Target Company will therefore remain as a wholly-owned subsidiary of the Company and the financial results and assets and liabilities of the Target Group will continue to be consolidated into the consolidated financial statements of the Group.

The Board is of the view that the termination of the Disposal will not have any material adverse impact on the business and financial position of the Company and the interests of its shareholders as a whole, as the Group has no financial commitment which would depend on the payment of the Further Deposit and/or the payment of the balance of the Consideration on Completion.

It is estimated that the Group will record an income on the termination of the Disposal in the amount of approximately HK\$364,081,583, which is calculated based on the forfeiture of the Initial Deposit in the amount of HK\$320,881,500, the Additional Fee in the amount of HK\$11,200,083 pursuant to the Supplemental Agreement and the payment of the Settlement Sum in the amount of HK\$32,000,000. The actual income amount will be subject to review by the auditors of the Group.

The Company intends to utilize the forfeited Initial Deposit, the Additional Fee and the Settlement Sum as general working capital of the Group. The Company has no immediate plan to dispose of the Target Group. In the event that there is any further development on the Target Group, the Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules to provide its shareholders and potential investors with progress update on the Disposal.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Soundwill Holdings Limited
Chan Hing Tat
Chairman

Hong Kong, 13 September 2023

As at the date of this announcement, the Board of Directors of the Company comprises (i) Executive Directors: Foo Kam Chu Grace, Chan Wai Ling, Chan Hing Tat and Tse Wai Hang; and (ii) Independent Non-Executive Directors: Chan Kai Nang, Pao Ping Wing and Young Chun Man Kenneth.

* *For identification only*