

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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023 AND PROPOSED ADOPTION OF SHARE OPTION SCHEME

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2023	2022
	HK\$ million	HK\$ million
Revenue	396	478
Profit before income tax expense excluding net fair value loss on investment properties	589	282
Net fair value loss on investment properties	(1,213)	(464)
Loss before income tax expense	(624)	(182)
Loss attributable to owners of the Company	(647)	(268)
Basic loss per share (dollars)	HK\$(2.28)	HK\$(0.95)
Dividend per share (dollars)		
— proposed final dividend	HK\$0.20	HK\$0.20
— proposed special dividend	HK\$0.80	—
	At	At
	31 December 2023	31 December 2022
	HK\$ million	HK\$ million
Total assets	21,000	22,223
Net assets	18,460	19,176
Total borrowings	1,517	1,775
Gearing ratio	8%	9%
Net asset value per share (dollars)	HK\$65.2	HK\$67.7

* For identification purpose only

RESULTS

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2023 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue			
Revenue from goods and services		44,208	102,242
Rental income		351,684	376,134
		<hr/>	<hr/>
Total revenue	3	395,892	478,376
Cost of sales		(42,404)	(82,588)
		<hr/>	<hr/>
Gross profit		353,488	395,788
Other income, gains and losses	4	437,888	52,776
Selling expenses		(2,254)	(3,629)
Administrative expenses		(126,818)	(118,712)
Gain/(loss) on disposal of subsidiaries		11,440	(788)
Net fair value loss on investment properties		(1,212,858)	(464,274)
Reversal of impairment loss on loan receivables		—	247
Finance costs		(84,579)	(43,079)
		<hr/>	<hr/>
Loss before income tax expense	6	(623,693)	(181,671)
Income tax expense	7	(22,810)	(80,720)
		<hr/>	<hr/>
Loss for the year		<u>(646,503)</u>	<u>(262,391)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the year ended 31 December 2023

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Other comprehensive income/(expense) for the year, net of income tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")		3,036	(171)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange loss on translation of foreign operations		<u>(15,643)</u>	<u>(27,912)</u>
Other comprehensive expense for the year, net of income tax		<u>(12,607)</u>	<u>(28,083)</u>
Total comprehensive expense for the year		<u>(659,110)</u>	<u>(290,474)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(646,511)	(268,201)
Non-controlling interests		8	5,810
		<u>(646,503)</u>	<u>(262,391)</u>
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(659,308)	(294,353)
Non-controlling interests		198	3,879
		<u>(659,110)</u>	<u>(290,474)</u>
Loss per share for loss attributable to owners of the Company for the year			
Basic	<i>8</i>	<u>HK\$(2.28)</u>	<u>HK\$(0.95)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		18,171,015	19,374,605
Property, plant and equipment		114,714	122,528
Financial assets at FVTOCI		43,006	39,656
Deposits paid for acquisition of properties		—	9,251
Loan receivables	9	4,349	5,906
Total non-current assets		18,333,084	19,551,946
Current assets			
Properties for sale		1,381,903	1,063,112
Trade and other receivables	9	146,940	174,070
Financial assets at fair value through profit or loss ("FVTPL")		—	38,884
Short-term bank deposits		635,200	272,400
Cash and cash equivalents		503,106	1,122,544
Total current assets		2,667,149	2,671,010
Current liabilities			
Trade and other payables	10	544,983	855,326
Contract liabilities		189,382	120,568
Lease liabilities		16,921	20,912
Borrowings		585,072	87,728
Provision for income tax		121,123	121,631
Total current liabilities		1,457,481	1,206,165
Net current assets		1,209,668	1,464,845

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Total assets less current liabilities	<u>19,542,752</u>	<u>21,016,791</u>
Non-current liabilities		
Borrowings	931,727	1,686,799
Lease liabilities	21,003	29,703
Deferred tax liabilities	<u>130,160</u>	<u>124,655</u>
Total non-current liabilities	<u>1,082,890</u>	<u>1,841,157</u>
Net assets	<u><u>18,459,862</u></u>	<u><u>19,175,634</u></u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	28,331	28,331
Reserves	<u>18,429,908</u>	<u>19,145,878</u>
	18,458,239	19,174,209
Non-controlling interests	<u>1,623</u>	<u>1,425</u>
Total equity	<u><u>18,459,862</u></u>	<u><u>19,175,634</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended 31 December 2023 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 *Income Taxes* (“HKAS 12”) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The application of the amendments has had no material impact on the Group’s financial position and performance.

Impacts on application of Amendments to HKAS 12 Income Taxes International Tax Reform — Pillar Two model Rules

The Group has applied the amendments for the first time in the current year. HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “Pillar Two legislation”). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

2.2 Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognizes the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 December 2023, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

3. REVENUE

An analysis of the Group's revenue from its principal activities is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from contracts with customers under HKFRS 15		
Property development		
— Sales of completed properties for sale	22,729	78,611
Building management and other services		
— Property repairs and maintenance service income	5,876	8,711
— Building management service income	15,603	14,920
Revenue from contracts with customers under HKFRS 15	44,208	102,242
Property leasing		
— Rental and signage rental income	351,684	376,134
Total revenue	395,892	478,376

4. OTHER INCOME, GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
4a. Other income		
Interest income from financial assets at FVTPL	2,286	2,456
Interest income from loan receivables	596	533
Other interest income	54,556	25,162
Government grants (<i>note 1</i>)	6,945	7,714
Forfeiture of deposits (<i>note 2</i>)	364,457	5,093
Miscellaneous income	9,784	11,937
	<u>438,624</u>	<u>52,895</u>
4b. Other gains and losses		
Impairment loss on trade receivables, net of reversal	(659)	(119)
Loss on disposal of property, plant and equipment	(77)	—
	<u>(736)</u>	<u>(119)</u>
Total other income, gains and losses	<u><u>437,888</u></u>	<u><u>52,776</u></u>

Notes:

1. During the year ended 31 December 2023, the Group recognised government grants of approximately HK\$6,945,000 (2022: HK\$7,714,000) in respect of Employment Support Scheme provided by the Hong Kong government. There are no unfulfilled conditions attached to these grants.
2. The amounts represents forfeiture of deposits upon the termination of the sale and purchase agreement on sale of subsidiaries during the year ended 31 December 2023.

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resource allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following operating and reportable segments:

Property development	:	Development of residential, commercial and industrial properties
Property leasing	:	Property rental including signage rental and rental under mini-storage operation
Building management and other services	:	Provision of building management, property repairs and maintenance services

Each of these operating and reportable segments is managed separately as each of the business lines requires different resources as well as operating approaches.

Also, the Group engaged in properties assembly and sales of properties business. There is no project under property assembly business in both years. Thus, this is not constitute a reportable segment during both years.

These operating and reportable segments are monitored and strategic decisions are made on the basis of segment operating results.

Segment revenue and results

	Property development		Property leasing		Building management and other services		Segment total	
	2023	2022	2023	2022	2023	2022	2023	2022
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
Revenue								
External customers	22,729	78,611	351,684	376,134	21,479	23,631	395,892	478,376
Inter-segments (<i>note</i>)	—	—	48	48	2,832	3,149	2,880	3,197
Segment revenue	<u>22,729</u>	<u>78,611</u>	<u>351,732</u>	<u>376,182</u>	<u>24,311</u>	<u>26,780</u>	<u>398,772</u>	<u>481,573</u>
Segment profits	<u>7,419</u>	<u>12,618</u>	<u>284,004</u>	<u>303,430</u>	<u>25,778</u>	<u>21,626</u>	317,201	337,674
Certain other income, gains and losses							406,399	24,015
Certain administrative expenses							(61,296)	(35,466)
Gain/(loss) on disposal of subsidiaries							11,440	(788)
Net fair value loss on investment properties							(1,212,858)	(464,274)
Reversal of impairment loss on loan receivables							—	247
Finance costs							(84,579)	(43,079)
Loss before income tax expense							<u>(623,693)</u>	<u>(181,671)</u>

Note: Inter-segment sales are charged at mutual agreed terms.

The operating and reportable segment results exclude finance costs, net fair value loss on investment properties, reversal of impairment loss on loan receivables, gain/(loss) on disposal of subsidiaries, certain other income, gains and losses, certain administrative expenses and income tax expense.

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration	3,236	3,086
Cost of completed properties for sale recognised as expenses	13,374	46,791
Depreciation of right-of-use assets	3,248	7,206
Depreciation of other property, plant and equipment	3,957	5,842
Employee compensation expense (including Directors' remuneration and defined contribution cost)	160,542	141,455
Rentals in respect of short-term leases and low-valued leases	463	733
Revaluation deficit on property, plant and equipment	120	120
Gross rental income from investment properties	(351,684)	(376,134)
Less: Direct operating expense arising from investment properties that generated rental income	16,952	16,199
Less: Direct operating expense arising from investment properties that did not generate rental income	810	—
	<u>(333,922)</u>	<u>(359,935)</u>

7. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Tax for the year (<i>note (a)</i>)	14,375	27,820
Mainland China Enterprise Income Tax ("EIT"):		
Tax for the year (<i>note (b)</i>)	1,620	7,026
Mainland China Corporate withholding Income Tax (<i>note (c)</i>)	—	5,983
Mainland China Land Appreciation Tax ("LAT") (<i>note (d)</i>)	1,601	30,439
(Over)/under-provision in prior years	(291)	103
Deferred tax charge	5,505	9,349
	<u>22,810</u>	<u>80,720</u>

Notes:

- (a) Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

- (b) For the year ended 31 December 2023, all of the Group's Mainland China subsidiaries were subject to Mainland China EIT rate of 25% (2022: 25%).
- (c) Pursuant to the EIT Law of PRC and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holdings companies incorporated in Hong Kong is subjected to the PRC withholding tax at the applicable tax rate of 5%.
- (d) Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the Mainland China on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures in relation to the gains arising from sales of properties in the Mainland China effective from 1 January 2004, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

8. LOSS PER SHARE

The calculation of basic loss per share for loss attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Loss		
Loss attributable to owners of the Company	<u>(646,511)</u>	<u>(268,201)</u>
Number of shares		
Number of ordinary shares for the purpose of basic loss per share (<i>note</i>)	<u>283,308,635</u>	<u>283,308,635</u>

Note: During the years ended 31 December 2023 and 2022, neither the Company nor any of its subsidiaries had repurchased any of the Company's shares respectively.

No diluted loss per share for the years ended 31 December 2023 and 2022 was presented as there were no potential ordinary shares in issue during the years ended 31 December 2023 and 2022.

9. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES

As at 31 December 2023 and 2022, based on invoice dates, the ageing analysis of the trade receivables, net of allowance for credit losses, was the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0–30 days	12,040	16,854
31–90 days	9,114	13,669
91–180 days	4,338	8,075
Over 180 days	6,900	7,967
	<u>32,392</u>	<u>46,565</u>
Total trade receivables, net		
Loan receivables	145,385	145,680
Less: allowance for credit losses	(141,776)	(141,776)
	<u>3,609</u>	<u>3,904</u>
Total loan receivables, net		
Other receivables, utility deposits and prepayment	110,939	123,601
	<u>110,939</u>	<u>123,601</u>
Total trade and other receivables categorised as current assets	<u>146,940</u>	<u>174,070</u>
<i>Non-current assets:</i>		
Loan receivables	4,349	5,906
	<u>4,349</u>	<u>5,906</u>
	<u>151,289</u>	<u>179,976</u>

10. TRADE PAYABLES

Trade payables had credit periods ranging from 30 to 90 days. Based on invoice dates, the ageing analysis of trade payables was the following:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0–30 days	10,801	4,787
31–90 days	1,188	963
Over 90 days	12,768	12,716
	<u>24,757</u>	<u>18,466</u>
Total trade payables		

OPERATIONS REVIEW AND PROSPECTS

OVERVIEW

At the beginning of 2023, measures to contain the pandemic were gradually removed. Despite the expectancy of a return to a state of normal, international trade and commerce did not fully recover in terms of speed and strength as the US Federal Reserve and central banks repeatedly raised interest rates throughout the year, which along with persistently high inflation dragged down the global economy.

In Hong Kong, the picture was relatively brighter owing to its internationalised platform connecting Mainland China and the world, an ideal international financial environment and abundant tourism resources. During the year, the Hong Kong Government was determined to revitalise the financial market and local retail tourism industry by vigorously promoting favourable policies. This helped the local retail tourism industry recover after full resumption of normal travel, which supported business enterprises and investors from all over the world.

With the full resumption of normal travel and the launch of the Consumption Voucher Scheme by the government, Hong Kong's economy was contributed to recovery in 2023. Although this stimulated consumer spending, the overall retail industry had not fully recovered by year end. We believe that the first retail stores to achieve normal pre-pandemic sales levels will be those located in high-traffic core shopping areas. The Group's major investment properties in the core consumer and tourist areas of Hong Kong, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, all recorded increases in foot traffic in 2023. Tenant turnover in these properties also benefited. However, the Group was compelled to offer rental support to individual tenants and required additional time to recover revenue from upward rental adjustments. As a result, overall rental income for the year decreased.

The Hong Kong retail market was further affected by changing consumption patterns among local shoppers and tourists. To meet changing consumer demand, we maintained close relationships with our tenants and customers to identify changes in purchasing behaviour, optimised the tenant portfolio and upgraded our properties. At the same time, we collaborated with our business partners on new marketing campaigns and strategies and stepped up promotional campaigns aimed at both Mainland China and overseas visitors through a variety of online and offline channels. We also introduced “experiential retailing” to provide a variety of diverse and innovative experiences in conjunction with the international events and mega-functions that took place in Hong Kong during the year.

In a global environment of high interest rates and other unfavourable factors, the local stock and property markets will likely remain weak and the asset market under pressure. This will make it difficult for capital market sentiment to heat up as investors maintain a cautious approach in their investment decisions. Accordingly, the Group will look for timely opportunities to replenish its land bank, albeit in a prudent manner, and make appropriate investments when the conditions are right. On a more optimistic note, the Group's new industrial project, iCITY, was completed in November and buyers are now moving in. This project has attracted local and overseas investors and end users, in large part due to its superior quality, and achieved impressive sales performance that contributed significantly to the Group's profits.

In addition to these developments during the year, the Group continued to focus on sustainable development and as a socially-responsible company, look for opportunities to give back to the community. In order to adhere to industry standards, the Group also actively monitors external marketing standards and internal processes.

PROPERTY PORTFOLIO

Last year's economic recovery did not meet expectations due to high interest rates and the prolonged pandemic, with no signs of improvement in the volume of completed transactions in Hong Kong's real estate market. Despite the government's efforts to support a return to full normalcy of the economy and external connectivity measures bringing favorable factors to the retail market, which have boosted consumer and investment sentiment and slightly improved the business environment, the rental earnings adjustments lagged in 2023, and the overall recovery of the property rental market was not significant.

PROPERTY ASSEMBLY

The Group identifies older properties with refurbishment potential in districts across Hong Kong to promote revitalisation, enhance the quality of old buildings and add value to them. However, in the high interest rate environment of 2023, the property trading market in Hong Kong remained weak, which affected the property assembly business. The Group will therefore take proactive measures and carefully analyse market conditions and property values in order to replenish its land bank in a timely manner and create new business opportunities for future development.

PROPERTY LEASING

For the year ended 31 December 2023, the Group's property leasing business segment recognised revenue of approximately HK\$351,684,000 (2022: HK\$376,134,000), representing approximately 89% (2022: 79%) of the Group's total revenue for the year.

The Group's major investment properties, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, recorded a decrease in overall rental income. Business performance also came under pressure, mainly due to lagging rental adjustments and rental support measures for tenants. On the other hand, oversupply in the market continued to exert pressure on rental performance, which is expected to continue, with valuations of investment properties yet to bottom out.

As international trade flows and the tourism industry recover, the retail market will initially be restored in core locations with high foot traffic. The Group's key investment properties in prime locations in Hong Kong will thus be the first to benefit. By identifying potential new tenants, the Group's leasing business will be poised for a steady upturn.

Soundwill Plaza

Soundwill Plaza is located on Russell Street in the heart of Causeway Bay, one of Hong Kong's core shopping districts and a centre for international flagship brands. As a premium Grade A commercial building, Soundwill Plaza enjoys high footfall and convenient transport links. It is a hotspot for shopping and leisure activities, featuring many famous fashion and beauty brands.

Soundwill Plaza II — Midtown

Soundwill Plaza II — Midtown is located at 1 Tang Lung Street, Causeway Bay and is a focal point for local food and beverage and leisure activities. During the year, the Group introduced trend-setting young brands into the premises to give customers a more diversified dining and leisure experience.

10 Knutsford Terrace

10 Knutsford Terrace is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, a core tourist and leisure district, where it offers a wide range of restaurants and lifestyle shops.

Kai Kwong Commercial Building

Kai Kwong Commercial Building is an integrated commercial project located at 332–334 Lockhart Road, Wan Chai.

THE SHARP

Located at 11–13 Sharp Street East and 1–1A Yiu Wa Street in Causeway Bay, THE SHARP is an integrated commercial property project with space for retail, beauty, food & beverage and commercial businesses. The ground floor to the second floor are the Group's rental properties.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Group, offers secure and comfortable storage space with professional management and services to customers. The storage facility is well equipped and complies with the latest fire safety guidelines. The existing branches of One Storage are strategically located in key residential and industrial areas all over Hong Kong. By the end of 2023, the number of branches had grown to 40. During the year, One Storage launched a variety of promotional campaigns tailored to different service users and worked with several business partners to enhance brand awareness. By leveraging our mature marketing strategies and back-end management system, the team helped the Group strengthen its business synergy, enhance online brand penetration and increase revenue. One Storage is now investing resources to establish a new one-stop mini box service offering dedicated door-to-door collection, delivery and transportation. This will enable customers to conveniently pick up and store items indoors, and also make online bookings at any time to pick up their items.

In the year ahead, One Storage will continue to expand the blueprint of this owned property and make long-term investments to increase its branch coverage. It will also seek to increase market share by establishing retail outlets and launching new marketing strategies. What's more, One Storage will seek merger and acquisition opportunities, with plans to enter the Southeast Asian market to provide more customers with its high-quality storage services.

PROPERTY DEVELOPMENT

For the year ended 31 December 2023, the Group's property development business segment recognised revenue of approximately HK\$22,729,000 (2022: HK\$78,611,000), representing approximately 6% (2022: 16%) of the Group's total revenue for the year.

INDUSTRIAL PROJECT

iCITY

iCITY is a brand new digital industrial landmark developed by the Group in Kwai Chung, at the junction of Wo Yi Hop Road and Ta Chuen Ping Street in Kwai Chung, a well-developed industrial, commercial and residential community with comprehensive ancillary facilities and convenient transportation. For easy access, the project provides a shuttle service to and from the MTR station.

In the first phase, this 20-storey building provides a total of 324 workshops for sale, the workshops have a gross floor area ranging from 422 square feet to 510 square feet on a typical floor. The workshops also have a typical floor height of approximately 4.2 meters, which provides a high degree of flexibility in terms of space. In addition, the workshops are equipped with individual toilets, split type air-conditioners and electronic door locks, as well as approximately 18,000 square feet of landscaped terrace with a variety of facilities to provide interactive and social spaces.

At iCITY AI Delivery Robot and Smart Concierge service will be available, and features such as touchless entry and exit, automated studios with apps to control indoor temperature and lighting, and QR Code visitor passes will be provided. The project was completed at the end of 2023, and arrangements are now being made for the purchasers to move in.

REAL ESTATE IN MAINLAND CHINA

At the beginning of 2023, the property market in Mainland China witnessed a release of backlog in demand for properties and a temporary restoration of confidence of the market. This surge in demand was driven in large part by the full lifting of pandemic prevention and control measures, as well as a reduction in down payment amounts and interest rates. At the same time, real estate in Mainland China was under renewed downward pressure in the second half of the year, despite optimisation measures by national ministries, commissions and local governments. The market sentiment continues to be sluggish, which is a reversal of the traditional “Golden September and Silver October”.

The two projects of the Group’s real estate business in Mainland China, namely Grand Capital (Shan Shui Xiang Ri Hao Ting) and Lakeview Bay • VOGUE, benefited from favourable market conditions in the first half of the year and a significant increase in transactions. Currently, only a few units are available for sale in Grand Capital. The Lakeview Bay • VOGUE project was completed and units were ready for moving in — a distinct advantage in the “guaranteed delivery” market. Sales performance for these projects was generally stable overall.

BUILDING MANAGEMENT AND OTHER SERVICES

For the year ended 31 December 2023, the Group's building management business segment recognised revenue of approximately HK\$21,479,000 (2022: HK\$23,631,000), representing approximately 5% (2022: 5%) of the Group's total revenue for the year.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Group, specialises in high-quality property management and maintenance as well as property and facilities management services for A-Grade large-scale commercial buildings, industrial buildings and small- and medium-sized estates. Its experienced and professionally qualified building management team holds internationally recognised management certificates such as ISO9001, ISO14001 and ISO45001. During the course of their work, the building management team conducts regular internal assessments and makes improvements to the quality of its services using the latest technology. Owners and tenants are provided a full range of quality property management, customer and facility maintenance services. To further enhance the efficiency and safety of the property management services, the management team is planning to introduce artificial intelligence and Internet of Things technologies. During the year, the management team began bidding on different property and facility management projects for the expansion of its business portfolio.

To reduce carbon emissions and ensure compliance with government environmental policies, the Group has established an environmental management and energy saving team. This team is responsible for researching and implementing energy saving measures, conducting energy audits and recalibrations, and setting appropriate long-term strategies and annual targets for improving energy efficiency. The aim of these measures is to reduce Goldwell Property Management's carbon footprint towards a sustainable future. In future, the building management team will cooperate with the government to implement municipal solid waste charging. It has also pledged to promote recycling, assist all stakeholders in reducing their waste at source, and encourage sorting and recycling. Additionally, the team offers professional training for staff to improve their ability to respond to accidents and extreme weather conditions, with a view to providing a safe living and working environment for customers, tenants, business partners and employees.

Soundwill Club

Soundwill Club is a membership reward programme for the Group's major investment properties. It provides a one-stop shopping and discount leisure platform and regularly distributes marketing and promotional materials to customers.

The Group's marketing team based this programme on customers' needs and desires and identified ways to make improvements in Soundwill Club's offerings. During the year, the team precisely integrated the features of tenants with the current trends in marketing promotion and customer consuming habits to develop multi-platform activities such as interactive games, online livestreaming product introductions and sales, influencers and short video marketing, as well as consumer rewards. Through our interactions with customers, we have been able to expand our customer base and increase customer loyalty. The number of new members in our programme rose by 15% during the year, and the total consumption amount of our members grew by 60% as compared with last year. The online shopping platform of Soundwill Club was also optimised to enhance the customer experience and its competitiveness with a simpler, more convenient and faster online sales system. Soundwill Club also regularly collected customer feedback to improve our property services, including restaurant reservations and greater accessibility for customers with special needs to allow customers with different needs to enjoy the customer service that fits their needs.

CORPORATE CITIZENSHIP

The Group is committed to practising social responsibility in each of its business and promoting sustainability for its long-term development. To monitor its sustainable development strategies, the Group has established a governance structure and measures the performance of its departments against the long-term goals.

As a member of society, the Group has been actively facilitating its professional capabilities and resources to invest in society and needy groups. Our Soundwill Volunteer Team also participates in community care projects through activities such as visits to elderly people, offers of workplace experience for underprivileged students, and continuous support to non-profit organisations. Additionally, the Group is involved in recycling, reducing landfill waste and providing resources to families in need. The environmental, social and governance (ESG) performance and key performance indicators of the Group are disclosed in its ESG report, which shows the Group's ambitions and goals on related development and is published annually for investors and other stakeholders interested in the sustainable development of the Group.

During the year, the Group and its subsidiaries received the Caring Company award from the Hong Kong Council of Social Service, the Industry Cares Recognition Scheme award and BOCHK Corporate Environmental Leadership Awards. In addition to these awards, we received several environmental and accessibility certifications for our property projects, which recognise the Group's work of serving the community and giving back to society.

PROSPECTS

In 2024, global financial markets will continue to be affected by geopolitical risks, inflation and high interest rates in a complex and dynamic global economic environment. Despite the market fluctuations, we foresee a number of development opportunities on the horizon. Determining how to seize these opportunities in a market filled with challenges will thus be the primary task of global enterprises in the year ahead.

Faced with all kinds of uncertain external factors, it is inevitable that Hong Kong will encounter challenges, such as the continuing weaker-than-expected economic recovery and growing competition from major cities in Southeast Asia for capital injection from global investors. However, with a solid infrastructure and financial system in place together with Hong Kong's business-friendly policies supported by Mainland China, we believe there is room for growth in the local financial environment and economy.

The market expects that the US Federal Reserve will cut interest rates in 2024 to balance the impact of inflation and financial development. In Hong Kong's property market, however, with the cancellation of all demand-side management measures for properties, we believe that demand will continue to fuel residential property transactions and the decline in property prices will slow down, helping the property market to secure soft landing. Capitalising on our many years of experience in property investment and mergers and acquisitions, we will assess the situation and increase our land reserve at an appropriate time to prepare for future development. The Group will also continue to strengthen its investments in industrial projects and make good use of its land resources in line with the government's policy of revitalising industrial buildings.

To consolidate the economic recovery, the government has been exploring initiatives to promote local economic growth. These include policies dedicated to attracting foreign experts and funds, as well as discussions with Mainland China on measures to attract mainland tourists to Hong Kong. With sustainable economic growth, we are confident that our leasing business and associated leasing profits will gradually increase.

Based on a solid foundation, an experienced management team and high-quality investment property portfolio, we believe we can overcome the challenges that lie ahead. In future, the Group will continue to promote its business development in a prudent and pragmatic manner, maintain its competitiveness, and make forward-looking decisions. At the same time, the Group will set long-term sustainable development goals as part of a flexible and innovative operating model. In this way, the Group will be able to enhance its corporate value, diversify its businesses and create rewarding returns for investors and stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results of Operations

During the year, the Group recorded a revenue of approximately HK\$395,892,000 (2022: HK\$478,376,000), representing a decrease of approximately HK\$82,484,000 as compared with last year. The decrease in revenue was mainly due to the high interest rate environment and changes in market consumption habits that slowed down the retail industry's recovery, resulting in a decrease in rental income.

Loss Attributable to Owners of the Company

During the year, the Group has recorded a loss attributable to owners of the Company of approximately HK\$646,511,000 (2022: HK\$268,201,000), an increase in loss of 141% as compared with last year. The increase in loss was mainly due to valuation loss on investment properties of HK\$1,212,858,000 (2022: HK\$464,274,000) was recorded as of 31 December 2023.

Net Assets

The net assets of the Group as at 31 December 2023 amounted to HK\$18,459,862,000 (2022: HK\$19,175,634,000). Net asset value per share as at 31 December 2023 is HK\$65.2 (2022: HK\$67.7).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2023, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to HK\$1,138,306,000 (2022: HK\$1,394,944,000). Total borrowings of the Group amounted to HK\$1,516,799,000 (2022: HK\$1,774,527,000) as at 31 December 2023.

As at 31 December 2023, the Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 8% (2022: 9%).

The Group mainly operates and invests in Hong Kong and the Mainland China with most of the transactions denominated and settled in Hong Kong Dollars and Renminbi respectively. Therefore, any Mainland China operations are translated from RMB into Hong Kong dollars at the year end date and the exchange differences will be reflected in the consolidated income statement at average rate and exchange reserve in other comprehensive income at closing rate. During the year, the Group did not engage in any derivative activities or use any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are denominated in Hong Kong Dollars and bear interest at floating rates.

SIGNIFICANT INVESTMENTS HELD

Save as those disclosed under the sections headed “Operations Review and Prospects” and “Management Discussion and Analysis”, the Group did not have any significant investment during the financial year ended 31 December 2023.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 16 March 2023, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the entire equity interest in a wholly-owned subsidiary of the Group, namely Data Chief Limited (“Data Chief”) at a consideration of HK\$36,080,000. Data Chief is the sole shareholder of an investment holding company which holds investment properties located in Hong Kong. The disposal was completed on 31 March 2023.

On 9 August 2022, the Group entered into a sale and purchase agreement, which is subsequently varied by a supplemental agreement dated 19 January 2023 (collectively the “Agreement”), with independent third parties (the “Purchaser” and the “Purchaser Guarantor”) and has conditionally agreed to sell and assign the entire issued share capital of an indirect subsidiary of the Company (the “Target Company”) at a consideration of HK\$3,208,815,000. Details of the transaction, the Agreement and the Purchaser and the Purchaser Guarantor are set out in the announcement of the Company dated 11 August 2022, the circular of the Company dated 23 September 2022, and another announcement of the Company dated 19 January 2023.

On 9 August 2023, further deposit in the sum of HK\$320,881,500 (the “Further Deposit”) was due and payable to the Group. The Purchaser, nonetheless, failed to pay the Further Deposit. In response, the Company has since sought legal advice and reviewed the options and recourse available, and made an announcement on 10 August 2023 to give progress update.

On 13 September 2023, the Group further entered into a settlement agreement with the Purchaser and the Purchaser Guarantor. A HK\$32,000,000 non-refundable settlement sum was paid to and received by the Group and the Agreement was terminated pursuant to the terms of the aforesaid settlement agreement. Details of the above are set out in the announcement of the Company dated 13 September 2023.

On 15 August 2023, ONE STORAGE (KC1) COMPANY LIMITED (an indirect wholly-owned subsidiary of the Company) entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with THE GENERAL OF THE SALVATION ARMY to disposal of a property located in Kwai Chung, New Territories, Hong Kong at a total consideration of HK\$122,000,000 (the “Disposal”).

On 10 November 2023, the Disposal was completed in accordance with the terms and conditions of the Sale and Purchase Agreement. Details of the Disposal are set out in the announcements of the Company dated 3 October 2023 and 10 November 2023.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group for the year ended 31 December 2023.

EVENTS AFTER REPORTING PERIOD

There are no material events affecting the Company and its subsidiaries which have occurred since the end of the financial year and up to the date of this announcement.

PLEDGE OF ASSETS

As at 31 December 2023, certain investment properties and property, plant and equipment of the Group with a total carrying value of approximately HK\$11,058,645,000 (31 December 2022: approximately HK\$12,661,647,000) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group provided guarantees amounted to approximately HK\$40,220,000 (2022: HK\$51,166,000) to banks with respect to mortgage loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

EMPLOYEES REMUNERATION

The Group employed an annual average of 297 people and 33 people in Hong Kong and Mainland China respectively for the year (2022: 308 and 36 employees). Employees were remunerated on the basis of their performance, experience and market practice. Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. Total salaries and wages incurred in 2023 were approximately HK\$160,542,000 (2022: HK\$141,455,000) and no share option expenses (2022: Nil) during the year.

DIVIDEND

The Board recommends a payment of a final dividend of HK\$0.20 (2022: HK\$0.20) per share and a special dividend of HK\$0.80 per share (2022: Nil) for the year ended 31 December 2023, subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Thursday, 23 May 2024. The final and special dividend will be payable on or about Thursday, 13 June 2024 to shareholders whose names appear on the register of members on Thursday, 30 May 2024.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on Thursday, 23 May 2024 and the notice of AGM will be published and dispatched in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods:

- (a) For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining shareholders of the Company entitled to attend the AGM will be Thursday, 23 May 2024. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2024.
- (b) For determining the entitlement to the proposed final and special dividend for the year ended 31 December 2023, the register of members of the Company will be closed from Wednesday, 29 May 2024 to Thursday, 30 May 2024 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining shareholders of the Company entitled to receive the proposed final and special dividend will be Thursday, 30 May 2024. In order to qualify for the final and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 28 May 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's shares in the market as at the date of this announcement.

REVIEWED BY AUDIT COMMITTEE

The audited consolidated results of the Group for the year ended 31 December 2023 and the financial and accounting policies adopted by the Group have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 20 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules on the Stock Exchange during the year ended 31 December 2023 except for the following deviation:

CODE PROVISION C.2.1

Code provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Madam Foo Kam Chu Grace, founder of the Group was the Chairman of the Group until 30 January 2023 when Mr. Chan Hing Tat was appointed the Chairman of the Group. The Chairman is responsible for the overall development direction and strategies of the Group and ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive Directors, the management and various department heads to act and function in accordance with authority policy. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all of them have complied with the Model Code throughout the year.

The Company has also adopted the written guidelines on no less exacting terms than the Model Code for those relevant employees (as defined in the CG Code) in respect of their dealings in the securities of the Company in compliance with the Code Provision C.1.3 of the CG Code.

PROPOSED ADOPTION OF SHARE OPTION SCHEME

The Board is pleased to propose the adoption of a new share option scheme of the Company (the “Share Option Scheme”). The purpose of the Share Option Scheme is to provide incentive and/or reward to eligible participants for their contributions or potential contributions to the Group.

The Share Option Scheme is subject to, inter alia, the approval of the shareholders of the Company at the AGM for the purpose of, among others, considering and, if though fit, approving the adoption of the Share Option Scheme. Further details about the Share Option Scheme, including its principal terms, will be set out in the circular of the Company to be despatched to the shareholders of the Company in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company’s website at www.soundwill.com.hk and the Stock Exchange’s website at www.hkexnews.hk. The 2023 annual report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

APPRECIATION

As a final note, I wish to take this opportunity to thank the Directors and staff for their contributions and good performance in the past financial year.

By Order of the Board
SOUNDWILL HOLDINGS LIMITED
Chan Hing Tat
Chairman

Hong Kong, 20 March 2024

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.