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If you have sold or transferred all your shares in Soundwill Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

**MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE AUCTION OF HAVEN COURT
AND
NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 21 of this circular.

A notice convening the SGM to be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Friday, 14 June 2024 at 2:30 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed herein. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.soundwill.com.hk).

Whether or not you are able to attend and vote in person at the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's principle place of business in Hong Kong at 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

* *For identification purpose only*

24 May 2024

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I — Financial Information of the Group	I-1
Appendix II — Unaudited Profit and Loss Statements on the Identifiable Net Income Stream of Haven Court Properties	II-1
Appendix III — Unaudited Pro Forma Financial Information of the Remaining Group	III-1
Appendix IV — Property Valuation Report	IV-1
Appendix V — Management Discussion and Analysis of the Remaining Group	V-1
Appendix VI — General Information	VI-1
Notice of Special General Meeting	SGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

- “Appraised Value” has the meaning as defined in the section headed “LETTER FROM THE BOARD — INFORMATION ON HAVEN COURT — Information on Haven Court Properties” of this circular
- “associates”,
“connected persons”,
“controlling shareholder(s)”,
“percentage ratio”
and “subsidiary(ies)” each has the meaning as ascribed to it under the Listing Rules
- “Auction” the public auction of the entire interest in Haven Court on an “as-is” basis expected to take place by order of the Lands Tribunal, and/or any adjourned or further public auction thereof pursuant to the Sale Order
- “Billion Glory” Billion Glory Properties Limited (億潤置業有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
- “Board” the board of Directors
- “Company” Soundwill Holdings Limited (金朝陽集團有限公司*), an exempted company incorporated in Bermuda with limited liability, and the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 878)
- “Directors” the directors of the Company
- “Extension Applications” collectively, the Time Extension Application and the Reserve Price Adjustment Application
- “First Property” has the meaning as defined in the section headed “LETTER FROM THE BOARD — INFORMATION ON HAVEN COURT — Information on Haven Court Properties” of this circular
- “Further Auction” the further public Auction pursuant to the Sale Order as the Time Extension Application has been accepted by the Lands Tribunal on 14 May 2024, provided that the Lands Tribunal also accepts the Reserve Price Adjustment Application, determines the Revised Reserve Price and gives direction to the trustee to arrange the Further Auction

DEFINITIONS

“Group”	collectively, the Company and its subsidiaries
“Harvest Fortune”	Harvest Fortune Limited (沛益有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Haven Court”	has the meaning as defined in the section headed “LETTER FROM THE BOARD — INFORMATION ON HAVEN COURT” of this circular
“Haven Court Properties”	collectively, the First Property, the Second Property and the Third Property
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) which, to the best of the Directors’ information, knowledge and belief, having made all reasonable enquiries, is/ are third parties independent of and not connected with the Company and its connected persons
“Lands Tribunal”	the Lands Tribunal established under the Lands Tribunal Ordinance (Chapter 17 of the Laws of Hong Kong)
“Latest Practicable Date”	Wednesday, 22 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in it
“Lead Properties”	Lead Properties Limited (領先置業有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Lot”	all that piece or parcel of ground registered in the Land Registry of Hong Kong as Section C of Inland Lot No. 2147 (i.e. Nos. 2–30 Haven Street and Nos.128–138 Leighton Road, Causeway Bay, Hong Kong)
“Mandate for the Possible Very Substantial Disposal”	has the meaning as defined in the section headed “LETTER FROM THE BOARD — MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL” of this circular
“Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong)

DEFINITIONS

“Possible Discloseable Transaction”	the possible acquisition of the Remaining Units referred to in this circular
“Possible Very Substantial Disposal”	the possible disposal of the entire interest in all the units of Haven Court Properties owned by the Group referred to in this circular
“PRC” or “Mainland China” or “China”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Registered Owners”	the registered owners of the Remaining Units as recorded in the land register of the Hong Kong Land Registry
“Remaining Group”	the Group immediately upon completion of the Possible Very Substantial Disposal
“Remaining Units”	has the meaning as defined in the section headed “LETTER FROM THE BOARD — INFORMATION ON HAVEN COURT — Information on the Remaining Units” of this circular
“Reserve Price”	the reserve price of HK\$2.425 billion in respect of the Auction determined by the Lands Tribunal under the Sale Order, or any other reserve price as adjusted and determined by the Lands Tribunal from time to time
“Reserve Price Adjustment Application”	an application made on 29 April 2024 to the Lands Tribunal to adjust the Reserve Price to the Revised Reserve Price, which such application, up to the Latest Practicable Date, has not yet been accepted by the Lands Tribunal
“Revised Reserve Price”	the revised reserve price in respect of the Further Auction determined by the Lands Tribunal under the Sale Order, which expectedly will align with the current market value of the Lot, or any other reserve price as adjusted and determined by the Lands Tribunal from time to time
“Sale Order”	has the meaning as defined in the section headed “LETTER FROM THE BOARD — BACKGROUND” of this circular
“Second Property”	has the meaning as defined in the section headed “LETTER FROM THE BOARD — INFORMATION ON HAVEN COURT — Information on Haven Court Properties” of this circular
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve the Mandate for the Possible Very Substantial Disposal

DEFINITIONS

“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sq.ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Time Extension Application”	an application made on 29 April 2024 to the Lands Tribunal for an extension of time for three additional months from 29 May 2024 to 29 August 2024 to conduct the Further Auction, which such application has been accepted by the Lands Tribunal on 14 May 2024
“Third Property”	has the meaning as defined in the section headed “LETTER FROM THE BOARD — INFORMATION ON HAVEN COURT — Information on Haven Court Properties” of this circular
“Vigers”	Vigers Appraisal And Consulting Limited, a property valuer and an Independent Third Party
“%”	per cent.

* *For identification purpose only*



SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

Executive Directors:

FOO Kam Chu Grace
CHAN Wai Ling (*Deputy Chairman*)
CHAN Hing Tat (*Chairman*)
TSE Wai Hang

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

CHAN Kai Nang
PAO Ping Wing
YOUNG Chun Man, Kenneth

Head Office and Principal

Place of Business in Hong Kong:
21st Floor, Soundwill Plaza
No. 38 Russell Street
Causeway Bay
Hong Kong

24 May 2024

To the Shareholders

Dear Sir or Madam,

**MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE AUCTION OF HAVEN COURT**

INTRODUCTION

Reference is made to:

- (i) the announcement of the Company dated 2 April 2024 relating to the Possible Discloseable Transaction and the Mandate for Possible Very Substantial Disposal in relation to the Auction of Haven Court;

* *For identification purpose only*

LETTER FROM THE BOARD

- (ii) the announcement of the Company dated 17 April 2024 relating to the outcome of the Auction where there was no bidder putting forward a bid equal to or higher than the Reserve Price and the Company is exploring and evaluating different options that the Company may next take which includes but not limited to making the Extension Applications to conduct Further Auction at the Revised Reserve Price;
- (iii) the announcement of the Company dated 24 April 2024 relating to the delay in despatch of this circular;
- (iv) the announcement of the Company dated 29 April 2024 relating to the Extension Applications made by the Company to the Lands Tribunal;
- (v) the announcement of the Company dated 14 May 2024 relating to the acceptance by the Lands Tribunal of the Time Extension Application and adjournment of the hearing to consider the Reserve Price Adjustment Application to 30 May 2024; and
- (vi) the announcement of the Company dated 22 May 2024 relating to further information on the Mandate for Possible Very Substantial Disposal as a result of the Extension Applications for an extension of time to conduct the Further Auction and to adjust the Reserve Price.

The purpose of this circular is to provide you with, among other things, (i) further information on the Mandate for Possible Very Substantial Disposal; (ii) financial information of the Group; (iii) an independent property valuation report on Haven Court; (iv) notice of the SGM; and (v) other information required under the Listing Rules.

BACKGROUND

The Company, through its indirect wholly-owned subsidiaries (Billion Glory, Harvest Fortune, and Lead Properties, the registered owners of Haven Court Properties), owns approximately 88.79% of the equal undivided shares of the Lot.

In July 2019, pursuant to section 3(1) of the Ordinance, Billion Glory, Harvest Fortune and Lead Properties filed an application to the Lands Tribunal for an order for sale in relation to all the undivided shares of the Lot (including those undivided shares of the Lot owned by the Group and the Registered Owners, respectively, as required by the Ordinance). If an order for sale is granted, a successfully bidder in the Auction would have an opportunity to acquire all the undivided shares of the Lot and to unify ownership of the Lot for redevelopment.

On 29 February 2024, the Lands Tribunal issued a judgment and ordered the sale of the Lot through the Auction (the “**Sale Order**”). The Lands Tribunal has determined the Reserve Price at HK\$2.425 billion under the Sale Order. The Company and its subsidiaries are eligible to participate at the Auction as a bidder to be held pursuant to the Sale Order in relation to Haven Court.

LETTER FROM THE BOARD

On 17 April 2024, the Auction took place and there was no bidder putting forward a bid equal to or higher than the Reserve Price and the Company was exploring and evaluating different options that the Company might next take which includes but not limited to making the Extension Applications to conduct Further Auction at the Revised Reserve Price.

On 29 April 2024, the Company made the Extension Applications to the Lands Tribunal to seek an extension of time to conduct the Further Auction and to adjust the Reserve Price.

On 14 May 2024, the Lands Tribunal has accepted the Time Extension Application, and has adjourned the hearing to consider the Reserve Price Adjustment Application to 30 May 2024.

Given the outcome of the Reserve Price Adjustment Application is not dictated by and thus uncertain to the Company, the Company is unable to ascertain whether (i) the Lands Tribunal would, after all, approve the Reserve Price Adjustment Application, and hence determines the Revised Reserve Price and gives direction to the trustee to arrange the Further Auction, or (ii) the Lands Tribunal would further adjourn the hearing to and/or would deliver its ruling to a later date after 30 May 2024 to allow parties to make further submissions and/or to afford more time for the Lands Tribunal to consider the Reserve Price Adjustment Application.

POSSIBLE DISCLOSEABLE TRANSACTION

As aforementioned, no bidder (including the Company) put forward a bid equal to or higher than the Reserve Price at the Auction. As such, no transaction took place on 17 April 2024. On the above basis, the Company made the Extension Applications to the Lands Tribunal on 29 April 2024. Since the Lands Tribunal has accepted the Time Extension Application, the Further Auction may take place in due course provided that the Lands Tribunal also accepts the Reserve Price Adjustment Application, determines the Revised Reserve Price and gives direction to the trustee to arrange the Further Auction.

The Company may participate at the Further Auction as a bidder to be held in relation to the Lot. If the Company is the successful bidder at the Further Auction, the Company will acquire the Remaining Units through the Further Auction at a consideration of approximately 11.5% of the final winning bid price.

Since the Revised Reserve Price was unknown to the Company as at the Latest Practicable Date, by reference to the Appraised Value of HK\$2.1 billion, the Company expects that the final winning bid price will not result in the Possible Discloseable Transaction exceeding the thresholds for a discloseable transaction. The Possible Discloseable Transaction is thus expected to constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL

If the successful bidder at the Further Auction is an Independent Third Party, the Company will be obliged to sell through the Further Auction its entire interest in Haven Court Properties to the successful bidder at the Further Auction. Based on the assessed fair value (i.e. the existing use value) of each of the Haven Court Properties and the Remaining Units by the Lands Tribunal, the Company will receive a consideration of approximately 88.5% of the final winning bid price.

The Board would like to seek the approval of the Shareholders at the SGM for, *inter alia*, a mandate to dispose (and/or to complete the disposal) through the Further Auction the entire interest in Haven Court Properties. Such mandate is to remain valid for twelve (12) months from the date of the Shareholders' approval (the "**Mandate for the Possible Very Substantial Disposal**"). The Possible Very Substantial Disposal, if it proceeds, will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules by reference to the Appraised Value.

INFORMATION ON HAVEN COURT

Haven Court ("**Haven Court**") is a 11-storey composite building with shops on the Ground Floor and residential upper parts completed in 1959. It was erected on the Lot with site area of 13,150 square feet or thereabouts.

Information on Haven Court Properties

The Company, through its indirect wholly-owned subsidiaries (Billion Glory, Harvest Fortune and Lead Properties, the registered owners of Haven Court Properties), owns approximately 88.79% of the equal undivided shares of Haven Court as at the Latest Practicable Date, which comprise the following:

- (a) Shop Nos. 18, 32, 33, 35, 37, 40, 42, 43 and 45, Ground Floor; Blocks C, D, E, G, I, J, K, L, and M of the 1st Floor; Blocks A, B, D, E, F, G, H, I, J, K, and L of the 2nd Floor; Blocks A, B, C, D, E, F, G, H, J, K, L and M of the 3rd Floor; Blocks A, B, C, D, E, F, H, I, J, K, L and M of the 4th Floor; Blocks A, B, C, D, F, G, H, I, J, L and M of the 5th Floor; Blocks A, B, C, D, E, F, G, H, I, J, K, L and M of the 6th Floor; Blocks A, B, D, E, F, G, H, K, L and M of the 7th Floor; Blocks A, B, E, F, I, J, L and M of the 8th Floor; Blocks A, B, C, E, G, H, J, K, L and M of the 9th Floor; Blocks A, B, I, J, K, and M of the 10th Floor; and one half of each of Shop Nos. 22 and 23 of the Ground Floor of Haven Court which are owned by Billion Glory (the "**First Property**");
- (b) Shop Nos. 14, 15, 17, 19, 20, 21, 27, 29, 30, 36 and 38 of the Ground Floor; Block J of the 7th Floor; Block H of the 10th Floor & Adjacent Roof thereof & Roof; and Block L of the 10th Floor, of Haven Court which are owned by Harvest Fortune (the "**Second Property**"); and

LETTER FROM THE BOARD

- (c) Shop Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 & 12, 16, 26 and 34 of the Ground Floor; Blocks A, B, F and H of the 1st Floor; Block G of the 4th Floor; Block K of the 5th Floor; Block G of the 8th Floor; and Block F of the 9th Floor, of Haven Court which are owned by Lead Properties (the “**Third Property**”).

According to the judgment of the Lands Tribunal, the effective area of Haven Court Properties is approximately 85,322 square feet, representing approximately 88.79% of the equal undivided shares of Haven Court.

According to the valuation report prepared by Vigers, as at 29 February 2024, the existing use values for the entire Haven Court and the Remaining Units are approximately HK\$1.237 billion and approximately HK\$125.4 million, respectively, and the market values upon redevelopment for the entire Haven Court and the Remaining Units are approximately HK\$2.100 billion (the “**Appraised Value**”) and approximately HK\$212.8 million, respectively. Thus, the market value upon redevelopment of Haven Court Properties will be approximately HK\$1.887 billion. The unaudited aggregate book value of Haven Court Properties as at 31 December 2023 was approximately HK\$2.1 billion.

The existing use values for the entire Haven Court and the Remaining Units were assessed by Vigers using the comparison method, where transactions of similar properties are collated and analysed with adjustments based on the difference between the comparable properties and the subject premises (i.e. Haven Court and the Remaining Units) in terms of location, time of transaction, age and quality of the building, floor level, floor area and etc. The comparison method is the most common method of valuation and is usually adopted where there were suitable comparable properties for assessment.

On the other hand, the market values upon redevelopment for the entire Haven Court and the Remaining Units were assessed by Vigers using the residual method, where the site’s value is derived by deducting construction cost, professional fees, interest, the developer’s profit and incidental costs from the gross development value (i.e. the estimated value upon completion of the redevelopment). The residual method is adopted as (i) there is a lack of appropriate comparable properties of Haven Court and the Remaining Units; and (ii) the residual method was also used by Billion Glory, Harvest Fortune and Lead Properties when filing the application to the Lands Tribunal for the Sale Order in relation to all the undivided shares of the Lot.

Vigers carried out site inspection, researches and analysis necessary to compile the background information required for the valuation, including relying on information provided by the Company and the details of property transactions from external third-party real estate websites and surveyors.

LETTER FROM THE BOARD

The following assumptions were made in the course of the valuation:

- as some of the units in Haven Court could not be inspected during Vigers' site inspection, it was assumed that the conditions within those units were commensurate with other units in accordance with the age of the building; and
- based on the land use of the Lot as stated in the government lease and the relevant outline zoning plan, Vigers assumed that Haven Court will be developed into a commercial building and took into account the maximum plot ratio allowed for such purpose.

For reference only as the Revised Reserve Price was unknown to the Company as at the Latest Practicable Date, if the Possible Very Substantial Disposal proceeds at the Appraised Value of HK\$2.1 billion, subject to audit, the Company expects to recognize a loss on disposal of approximately HK\$249 million (being the consideration that the Company is expected to receive over the book value and transaction cost). The actual amount of the gain or loss will depend on the final winning bid price at the Further Auction. If the Company is the successful bidder at the Further Auction, Haven Court will be demolished and redeveloped into a new building in compliance with the Ordinance.

Financial information of the holding companies of the Haven Court Properties

Billion Glory

The following information is extracted from the financial information of Billion Glory:

	For the financial year ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Total assets	1,519,478	1,590,304
(Loss)/Profit before taxation	(115,124)	143,220
(Loss)/Profit after taxation	(114,466)	142,128
Net (loss)/profit attributable to shareholders of Billion Glory	(114,466)	142,128

The unaudited net asset value of Billion Glory was approximately HK\$15.1 million as of 31 December 2023.

LETTER FROM THE BOARD

Harvest Fortune

The following information is extracted from the financial information of Harvest Fortune:

	For the financial year ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Total assets	218,845	227,090
(Loss)/Profit before taxation	(10,065)	22,695
(Loss)/Profit after taxation	(10,069)	22,327
Net (loss)/profit attributable to shareholders of Harvest Fortune	(10,069)	22,327

The unaudited net asset value of Harvest Fortune was approximately HK\$158.9 million as of 31 December 2023.

Lead Properties

The following information is extracted from the financial information of Lead Properties:

	For the financial year ended 31 December	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Total assets	835,293	850,080
(Loss)/Profit before taxation	(17,328)	39,630
(Loss)/Profit after taxation	(17,420)	39,013
Net (loss)/profit attributable to shareholders of Lead Properties	(17,420)	39,013

The unaudited net asset value of Lead Properties was approximately HK\$831.6 million as of 31 December 2023.

LETTER FROM THE BOARD

Financial information of the Haven Court Properties

The following information is extracted from the unaudited profit and loss statements on the identifiable net income stream of the Haven Court Properties:

	For the financial year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Rental income	21,311	21,203
Profit/(loss) before income tax expense	(138,086)	208,926
Profit/(loss) for the year	(137,523)	206,849
Profit/(loss) and total comprehensive income/ (expense) for the year	(137,523)	206,849

Information on the Remaining Units

The remaining units of Haven Court which have not been acquired by the Group as at the Latest Practicable Date are set out below:

- (a) Shop Nos. 11, 13, 24, 25, 28, 39, 41, 44 of the Ground Floor; Blocks C and M of the 2nd Floor;
- (b) Block I of the 3rd Floor; Block E of the 5th Floor;
- (c) Blocks C and I of the 7th Floor;
- (d) Blocks C, D, H and K of the 8th Floor;
- (e) Blocks D and I of the 9th Floor; and
- (f) one half of each of Shop Nos. 22 and 23 of the Ground Floor,

Haven Court (the “**Remaining Units**”).

According to the judgment of the Lands Tribunal, the effective area of the Remaining Units is approximately 9,435 square feet in aggregate, representing approximately 11.21% of the equal undivided shares of Haven Court.

LETTER FROM THE BOARD

BID PRICE AT THE FURTHER AUCTION

The Company and its subsidiaries are eligible to participate at the Further Auction as a bidder. If the Company is the successful bidder, the Company will be obliged to pay the apportioned final winning bid price to the Registered Owners with reference and pro rata to the respective existing use value of their units at Haven Court determined by the Lands Tribunal. Accordingly, the consideration for the acquisition of the Remaining Units payable by the Group would be approximately 11.5% of the final winning bid price. All stamp duty and registration fees on transfer of the Remaining Units will be payable by the Company, if it is the successful bidder at the Further Auction. The Possible Discloseable Transaction will be financed by bank loans and/or cash from internal resources of the Group.

The Possible Discloseable Transaction represent a chance for the Group to gain ownership of the entire Lot, to redevelop it and to generate income or gain to the Company and hence the Shareholders in the future. In order not to compromise the commercial interests of the Company by revealing commercial secrets and place the Company in a disadvantaged position against other bidders and/or competitors, the factors taken into account by the Company in making a decision on whether to bid and its bid price(s) and the price which the Company is willing to pay at the Further Auction will not be disclosed in this circular.

Prior to the Lands Tribunal accepting the Reserve Price Adjustment Application and determining the Revised Reserve Price and the conclusion of the Further Auction, only the Appraised Value of HK\$2.1 billion (as valued by Vigers as at 29 February 2024) is available as a reference of the final consideration to be paid for the Lot, and thus the pro-rated consideration to be paid for the Haven Court Properties. Given the nature of the Further Auction, the final consideration to be paid for the Haven Court Properties (i.e. the consideration that the Company will receive if the Possible Very Substantial Disposal consummates) is not currently known and will only be determined and fixed at the Further Auction when there is a successful bidder. The Company is therefore unable to provide the aggregate value of the consideration in this circular due to the fact that the Further Auction has not yet been held. As such, the only available information known to the Company as at the Latest Practicable Date (being the alternative disclosure) was the Appraised Value of HK\$2.1 billion (as valued by Vigers as at 29 February 2024), together with the fact that the final consideration to be paid for the Lot shall be at or above the Revised Reserve Price. In the event that the Lands Tribunal has determined and informed the Company as to the amount of the Revised Reserve Price before the SGM is convened, the Company will disclose such information in a progress update announcement of the Company to provide additional information to the shareholders of the Company and the investing public. In addition, upon the conclusion of the Further Auction, regardless of whether the Company is the successful bidder, the Company will announce the final winning bid price at the Further Auction by way of a progress update announcement of the Company.

LETTER FROM THE BOARD

Accordingly, upon the conclusion of the Further Auction, provided that the Company is the successful bidder, the Company will comply with the relevant requirements under Chapter 14 of the Listing Rules by disclosing the final consideration for the purchase of the Remaining Units in relation to the Possible Discloseable Transaction. For the purpose of this circular and in relation to the Mandate for the Possible Very Substantial Disposal, the Company has therefore applied for a waiver from strict compliance with Rule 14.58(4) of the Listing Rules and the same has been conditionally granted by the Stock Exchange.

The Shareholders should be aware of the following latest transactions of comparable properties in Causeway Bay:

Transaction Date	Description of the Property	Age of the Building (years)	Saleable Area (sq.ft.)	Consideration (HK\$)	Price per sq.ft. (HK\$)
9 November 2023	Unit D, 3/F, Lippo Leighton Centre, 103 Leighton Road, Hong Kong	1992	497	11,500,000	23,138
24 May 2023	Unit B, 7/F, Guangdong Tour Centre, 18, Penington Street, Hong Kong	1994	415	11,000,000	26,506
13 September 2023	Unit C, 5/F, Prosperous Commercial Building, 54–58 Jardine’s Bazaar, Hong Kong	1991	415	6,300,000	15,180
13 April 2023	Shop B on Ground Floor, 103 Leighton Road with frontage to Leighton Road, Hong Kong	1992	689	36,500,000	52,975
13 April 2023	Shop A on Ground Floor, 103 Leighton Road with frontage to Leighton Road, Hong Kong	1992	746	36,800,000	49,401

Below is the existing use value of Haven Court based on the valuation report prepared by Vigers as at 29 February 2024:

Description of the Property	Age of the Building (years)	Saleable Area (sq.ft.)	Existing use value as at 29 February 2024 (HK\$)	Price per sq.ft. (HK\$)
Haven Court	1959	94,757	1,237,460,000	13,059

LETTER FROM THE BOARD

AUCTION PROCESS

Pursuant to the Ordinance, the Lot is to be sold by order of the Lands Tribunal by public auction within three (3) months from 29 February 2024. The Lands Tribunal has determined the Reserve Price at HK\$2.425 billion under the Sale Order (subject to any adjustment being applied) and the Lands Tribunal, amongst other things, has appointed trustees to arrange the Auction. The auctioneer was selected by the trustees. Each of the trustees is a consultant in a law firm which provides legal services in relation to the Auction to all owners of the Lot collectively (including those undivided shares of the Lot owned by the Group and the Registered Owners, respectively) but is otherwise a third party independent of the Company and connected persons of the Company, its subsidiaries and their respective associates. The Auction was open to the public and any person may participate at the Auction as a bidder.

Under section 5(4) of the Ordinance, in the event that the Lot is not sold by auction within three (3) months immediately following the date of the Sale Order, the Lands Tribunal may direct that a further period of three (3) months be given on application made to the Lands Tribunal by the trustees under the Sale Order or the Company (being the majority owner of the Lot) or any minority owner of the Lot (as the case may be).

At the Auction that took place on 17 April 2024, there was no bidder putting forward a bid equal to or higher than the Reserve Price. Accordingly, the Company made the Extension Applications to the Lands Tribunal for approval to conduct Further Auction at the Revised Reserve Price. In such event, the Lands Tribunal may order to stay the execution of the order for sale and so to allow time for stakeholders (including the majority owner or any minority owners of the Lot) to make submissions together with a valuation report and provide a ruling afterwards. According to the Company's past experience, whenever there is submission on valuation made by any party to the Lands Tribunal, the Lands Tribunal would usually allow time for all parties to prepare and submit valuation reports and to be heard before ruling by the Lands Tribunal would be made. Such process would take months. Therefore, the extension of time and/or an adjustment of the Reserved Price application may likely only be determined close to or even after the six (6) months period under section 5(4) of the Ordinance. On the above premises, the Company is of the view that a validity period of twelve (12) months for the Mandate for the Possible Very Substantial Disposal is appropriate.

The Company understands that the bidding process at the Further Auction will be fully in accordance with normal market practice and that the Ordinance requires the Lot to be sold to the highest bidder at the Further Auction. Bidding will be open with bidders making open bids for the Lot in full view of each other and with each bid being immediately known to all participants, as in a Government land auction, in a process regulated by the auctioneer and on the terms ordered by the Lands Tribunal. The Company believes that the terms of the Further Auction will be consistent with market practice for court-ordered sales by auction.

The Lot will be sold if the highest bid price is higher than or equal to the Revised Reserve Price.

LETTER FROM THE BOARD

According to section 5(4) of the Ordinance, if the Lot is not sold by auction within the initial three (3) months, the extension of three (3) additional months or any further extension of time by the Lands Tribunal (with or without adjustment of the Reserved Price), then the Sale Order ceases to have any legal effect. The consequence will be that every party will go back to the situation it was in before the making of the compulsory sale application, as if the compulsory sale order had never been made by the Lands Tribunal and Billion Glory, Harvest Fortune and Lead Properties have never lodged the compulsory sale application.

If such situation arises, to the best of the Directors' information, knowledge and belief, having made all reasonable enquiries, it will have no direct financial impact on the Group as the Group will neither acquire nor dispose of any undivided shares of the Haven Court. However, the fair value of the Haven Court Properties may have to be adjusted downwards to discount the value enhanced by the expected auction sale under the Ordinance and, hence there may be a consequential impairment of the fair value of the Haven Court Properties in the books of the Company as of 31 December 2024.

Given the open nature of the bidding process in the Further Auction, the publicly available information about Haven Court Properties and the Remaining Units and the transparent nature of the Hong Kong property market, the Directors are satisfied that they have all information necessary to make a properly-informed bidding at the Further Auction.

REASONS FOR AND BENEFITS OF THE POSSIBLE VERY SUBSTANTIAL DISPOSAL

If the successful bidder at the Further Auction is an Independent Third Party, the Company will be obliged to sell through the Further Auction its entire interest in Haven Court Properties to the successful bidder (if any) at the Further Auction.

Although the Company would lose the opportunity to gain full ownership of the Lot for redevelopment, the Possible Very Substantial Disposal would forthwith improve the cash flow for the Group. The sale proceeds received from the Possible Very Substantial Disposal will be used by the Group in or towards financing other projects and for general working capital.

Based on the above reasons, the Directors are of the view that the Possible Very Substantial Disposal conducted at the final winning bid price by a third party bidder is in the interests of the Company and the Shareholders as a whole and that the terms of the sale by the Further Auction will be fair and reasonable.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Possible Discloseable Transaction

Based on the Appraised Value of HK\$2.1 billion (which may not be the Revised Reserve Price), the consideration for the Possible Discloseable Transaction shall be approximately HK\$241.5 million^(Note 1). As one or more of the applicable percentage ratios in respect of the Possible Discloseable Transaction is expected to exceed 5% but be less than 25%, the Possible Discloseable Transaction will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements under the Listing Rules.

If the Possible Discloseable Transaction consummates upon the conclusion of the Further Auction, the Company will further comply with the relevant requirements under Chapter 14 of the Listing Rules.

The Possible Very Substantial Disposal

Based on the Appraised Value of HK\$2.1 billion (which may not be the Revised Reserve Price), the consideration for the Possible Very Substantial Disposal shall be approximately HK\$1,858.5 million^(Note 1). As one or more of the applicable percentage ratios in respect of the Possible Very Substantial Disposal exceeds 75%, the Possible Very Substantial Disposal will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INFORMATION ON THE REGISTERED OWNERS

According to public records, Dragon Top Development Limited, Po Leung Kuk and Maxcolm Finance Limited are respectively two of the Registered Owners and a mortgagee in possession of one of the Remaining Units. Po Leung Kuk is a legal entity established under Po Leung Kuk Ordinance (Chapter 1040 of the Laws of Hong Kong) and Dragon Top Development Limited and Maxcolm Finance Limited are companies incorporated with limited liability in Hong Kong. Po Leung Kuk undertakes charitable activities. The principal business of Dragon Top Development Limited is unknown to the Company while Maxcolm Finance Limited is a licensed money lender. Based on the company search records, the registered shareholders of Dragon Top Development Limited are Ding Jinju, and the registered shareholders of Maxcolm Finance Limited are Konew Credit Corporation Limited. The other Registered Owners of the Remaining Units are individuals (the identities of which are set out in pages IV-4 and IV-5 of Appendix IV to this circular), where their background are unknown to the Company.

^(Note 1) Pursuant to the Ordinance, the Lands Tribunal (as set out in the judgment for the Sale Order) has assessed the fair value (i.e. the existing use value) of each of the Haven Court Properties and the Remaining Units, which are respectively about HK\$1,408.325 million and HK\$183.015 million. The net proceeds of sale in a successful sale of the Lot by the Further Auction is to be apportioned per such proportion, namely 88.50% and 11.50%. In the event that the Group (i) wins the bid and thus is the purchaser of the Lot in the Further Auction, the consideration that the Group shall pay will be about 11.50% of the selling price of the Lot; or (ii) does not win the bid and thus is the vendor of the Haven Court Properties, the consideration that the Group shall receive will be about 88.50% of the selling price of the Lot.

LETTER FROM THE BOARD

To the best of the Directors' information, knowledge and belief, having made all reasonable enquiries, the Registered Owners of the Remaining Units and their respective ultimate beneficial owners (where applicable) are third parties, independent of the Company and connected persons of the Company, its subsidiaries and their respective associates.

Since the Further Auction has yet to be taken place, it is unknown to the Company whether any person (other than the Company) intends to or will participate in bidding, and accordingly, at the current stage, the Company is unable to ascertain whether the Possible Very Substantial Disposal will also constitute a connected transaction under Chapter 14A of the Listing Rules if the successful bidder is a connected person of the Company. If such transaction constitutes a connected transaction upon conclusion of the Further Auction, the Company will comply with the relevant requirements under the Listing Rules. Up to the Latest Practicable Date, certain connected persons of the Company have confirmed that they will not participate in the Further Auction. For further details, please refer to the paragraph headed "NON-PARTICIPATION AT AUCTION BY THE DIRECTORS AND THE COMPANY'S CONTROLLING SHAREHOLDER" below.

INFORMATION OF THE GROUP

The Company is an exempted company incorporated in Bermuda with limited liability, and the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 878). It is principally engaged in investment holding and the Group is principally engaged in various lines of business including property assembly, property leasing, property development and provision of building management services in Hong Kong and property development in the People's Republic of China.

Billion Glory is incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in property investment.

Harvest Fortune is incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in property investment.

Lead Properties is incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in property investment.

FINANCIAL EFFECTS OF THE POSSIBLE VERY SUBSTANTIAL DISPOSAL

Earnings

Based on the unaudited pro forma consolidated statement of profit or loss as set out in Appendix III to this circular, the effect of the Possible Very Substantial Disposal on the Group's financial position as at 31 December 2023 is that loss will increase by approximately HK\$205.4 million. Based on rental income generated for the year ended 31 December 2023, the Group's earnings from the rental income per annum shall decrease by approximately HK\$21.3 million due to the Possible Very Substantial Disposal if it proceeds.

LETTER FROM THE BOARD

Assets and Liabilities

Based on the unaudited pro forma consolidated net assets statement of the Group as set out in Appendix III to this circular, the effect of the Possible Very Substantial Disposal is that (i) investment properties will decrease by approximately HK\$2.1 billion; (ii) cash reserve will increase by approximately HK\$1.4 billion; (iii) trade and other payable will decrease by approximately HK\$3.3 million and (iv) deferred tax liabilities will decrease by approximately HK\$4.6 million.

The deficit of the consideration for the Possible Very Substantial Disposal under the net book value of Haven Court Properties (as of 1 January 2023) amounts to approximately HK\$343.5 million.

VALUATION OF THE HAVEN COURT PROPERTIES AND RECONCILIATION

Vigers valued the entire Haven Court as at 29 February 2024. Based on the respective proportions of the existing use value of the interests of the Company and the rest of interests in Haven Court, with a redevelopment market value of HK\$2,100,000,000, the market values of the Haven Court Properties and the Remaining Units would be HK\$1,887,250,000 and HK\$212,750,000, respectively. The full text of the property valuation report is set out in Appendix IV to this circular.

The reconciliation between the net book values of the Haven Court Properties as at 31 December 2023 and the valuation of the same as at 29 February 2024 is set out below:

	<i>HK\$'000</i>
Net book values of the Haven Court Properties as at 31 December 2023	2,100,000
Valuation deficit	<u>(212,750)</u>
Valuation of the Haven Court Properties as at 29 February 2024	<u><u>1,887,250</u></u>

NON-PARTICIPATION AT AUCTION BY THE DIRECTORS AND THE COMPANY'S CONTROLLING SHAREHOLDER

Each of the Directors and the controlling shareholder(s) of the Company has confirmed to the Company that he/she/it and their respective associates will not participate in the Further Auction.

SGM VOTING UNDERTAKING

The Company has obtained an unconditional and irrevocable undertaking from Ko Bee Limited and Full Match Limited to vote in favour of the resolutions in relation to the Mandate for the Possible Very Substantial Disposal to be proposed in the SGM. Ko Bee Limited and Full Match Limited are directly or indirectly wholly-owned by a discretionary trust which collectively holds approximately 74.94% of the issued share capital of the Company as of the Latest Practicable Date.

LETTER FROM THE BOARD

THE SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Mandate for the Possible Very Substantial Disposal.

The notice convening the SGM is set out on pages SGM-1 to SGM-3 of this circular. The SGM will be convened at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong, on Friday, 14 June 2024 at 2:30 p.m. for the Shareholders to consider and, if thought fit, to approve the Mandate for Possible Very Substantial Disposal. For the determination of the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining shareholders entitled to attend and vote at the SGM will be the close of business on Friday, 14 June 2024. In order to be eligible to attend and vote at the SGM, 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, 7 June 2024.

A form of proxy for use at the SGM is enclosed herein. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.soundwill.com.hk).

Whether or not you are able to attend and vote in person at the SGM, please complete and signed the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong at 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their associates has any material interest in the Possible Very Substantial Disposal and therefore, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM.

RECOMMENDATION

For the reasons set out above, the Directors consider that the Mandate for the Possible Very Substantial Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

LETTER FROM THE BOARD

WARNING

Up to the Latest Practicable Date, the Reserve Price Adjustment Application has not yet been accepted by the Lands Tribunal, and hence there is no guarantee that the Further Auction will take place. As the Further Auction has yet to be taken place and there are various factors that could affect the bid at the Further Auction, the Possible Discloseable Transaction or the Possible Very Substantial Disposal may or may not proceed. Accordingly, the Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Yours faithfully,
By order of the Board
SOUNDWILL HOLDINGS LIMITED
CHAN Hing Tat
Chairman

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 are disclosed in the annual reports of the Company for the years ended 31 December 2021, 2022 and 2023, respectively, which are published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.soundwill.com.hk) and which can be accessed by the direct hyperlinks below:

- (1) annual report of the Company for the year ended 31 December 2021 published on 22 April 2022 (pages 184 to 344):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042200614.pdf>

- (2) annual report of the Company for the year ended 31 December 2022 published on 20 April 2023 (pages 176 to 332):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0420/2023042000769.pdf>

- (3) annual report of the Company for the year ended 31 December 2023 published on 17 April 2024 (pages 196 to 332):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0417/2024041700267.pdf>

2. INDEBTEDNESS STATEMENT

At the close of business on 31 March 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had the following indebtedness:

Borrowings

Secured and guaranteed borrowings of approximately HK\$1,481,192,000, comprising secured bank loans of approximately HK\$1,481,192,000. The bank loans were secured by certain investment properties, property, plant and equipment and properties under development of the Group with a total carrying value of approximately HK\$11,058,645,000.

Lease liabilities

Lease liabilities amounting to approximately HK\$34,575,000 which were secured by rental deposits and unguaranteed.

Contingent liabilities

As at 31 March 2024, the Group provided guarantees amounted to approximately HK\$34,586,000 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.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business of the Group, the Group did not have any other debt securities, term loans or other outstanding borrowings or indebtedness including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase commitments, debentures, mortgages, charges, guarantees or other material contingent liabilities as at 31 March 2024.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up except for the proposed payment of final dividend and special dividend for the financial year ended 31 December 2023 (subject to the approval by the shareholders in the forthcoming annual general meeting of the Company) in the sum of HK\$283,308,635 on or about 13 June 2024.

4. WORKING CAPITAL STATEMENT

After taking into account the financial resources presently available to the Group, including cash and cash equivalent on hand, internally generated funds, available and existing banking facilities and the effects of the Possible Very Substantial Disposal, and in the absence of unforeseen circumstances, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements for at least twelve months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the business of property assembly, property leasing, property development and property management in Hong Kong and real estate development in the PRC. The Possible Very Substantial Disposal has increased sources of funding to accelerate the development of the Group's existing projects, and for acquisition of potential new projects. During the current financial year, the Directors expect that with cash and available credit facilities, the Group's financial position will remain stable and the Group's revenue of the current year will not be materially impacted after the Possible Very Substantial Disposal. The Group will closely monitor the market situations and trends and will continue to strengthen its established markets. The Group will seek investment and business opportunities relating to the real estate industry with an aim of maximising profitability for the benefit of its Shareholders and maintain its competitiveness thereby ensuring the Group's sustainability.

A. UNAUDITED PROFIT AND LOSS STATEMENTS ON THE IDENTIFIABLE NET INCOME STREAM OF HAVEN COURT PROPERTIES

In accordance with Rule 14.68(2)(b)(i) of the Listing Rules, the unaudited profit and loss statements on the identifiable net income stream of Haven Court Properties for each of the years ended 31 December 2021, 2022 and 2023 (the “**Unaudited Profit and Loss Statement**”) and its basis of preparation are set out below.

The Unaudited Profit and Loss Statement are prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Possible Very Substantial Disposal in relation to the Auction of Haven Court. The Company’s auditor, Deloitte Touche Tohmatsu (the “**reporting accountants**”), were engaged to review the Unaudited Profit and Loss Statement in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion.

	For the year ended 31 December		
	2021	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	22,645	21,203	21,311
Cost of sales	(76)	(85)	(90)
Other income, gains and losses	45	31	—
Administrative expenses	(2,063)	(1,910)	(2,501)
Net fair value gain/(loss) on investment properties	4,000	200,000	(135,186)
(Impairment loss)/Reversal of impairment loss on trade receivables	79	(71)	58
Finance costs	<u>(5,546)</u>	<u>(10,242)</u>	<u>(21,678)</u>
Profit/(loss) before income tax expense	19,083	208,926	(138,086)
Tax (expense) credit	<u>(2,219)</u>	<u>(2,077)</u>	<u>563</u>
Profit/(loss) for the year	<u>16,865</u>	<u>206,849</u>	<u>(137,523)</u>
Profit/(loss) and total comprehensive income/(expense) for the year	<u>16,865</u>	<u>206,849</u>	<u>(137,523)</u>

Basis of preparation of the Unaudited Profit and Loss Statement

The Unaudited Profit and Loss Statement has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Possible Very Substantial Disposal in relation to the Auction of Haven Court in accordance with Rule 14.68(2)(b)(i) of the Listing Rules and in accordance with the relevant accounting policies adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2023, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The Unaudited Profit and Loss Statement has been prepared under the historical cost convention. The Unaudited Profit and Loss Statement neither contains sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) “Presentation of Financial Statements” nor a set of financial statements as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and that it should be read in connection with the Group’s relevant published annual consolidated financial statements.

B. VALUATION OF HAVEN COURT PROPERTIES

The valuation report of Haven Court Properties as at 29 February 2024 was disclosed in Appendix IV to this circular.

INTRODUCTION

The following is the unaudited pro forma financial information of the Remaining Group, comprising the unaudited pro forma consolidated statement of profit or loss and net assets statement of the Remaining Group (the “**Unaudited Pro Forma Financial Information**”) have been prepared to illustrate the effect of the Possible Very Substantial Disposal on the Group’s financial position as at 31 December 2023, as if the Possible Very Substantial Disposal had been taken place on 31 December 2023, and on the Group’s financial performance for the year ended 31 December 2023, as if the Possible Very Substantial Disposal had been taken place on 1 January 2023.

The unaudited pro forma consolidated statement of profit or loss of the Remaining Group is prepared based on the audited consolidated statement of profit or loss of the Group for the year ended 31 December 2023, which has been extracted from the published annual report of the Group for the year ended 31 December 2023 (the “**2023 Annual Report**”) after making certain pro forma adjustments resulting from the Possible Very Substantial Disposal.

The unaudited pro forma consolidated net assets statement of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2023, which has been extracted from the 2023 Annual Report, after making certain pro forma adjustments resulting from the Possible Very Substantial Disposal.

The Unaudited Pro Forma Financial Information is prepared based on the aforesaid historical data after giving effect to the pro forma adjustments described below in the accompanying notes that are (i) directly attributable to the Possible Very Substantial Disposal; and (ii) factually supportable.

The Unaudited Pro Forma Financial Information is prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position and results of operation of the Remaining Group had the Possible Very Substantial Disposal actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group’s future financial position and results of operation.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I of the circular (“**Circular**”) and other financial information included elsewhere in the Circular.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

A. UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS OF THE REMAINING GROUP

	The Group					The
	for the					Remaining
	year ended					Group
	31 December					for the
	2023					year ended
	Pro forma adjustments					31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	2023
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	HK\$'000
Revenue						
Revenue from goods and services	44,208	—	—	—	—	44,208
Rental income	<u>351,684</u>	<u>(21,311)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>330,373</u>
Total revenue	395,892	(21,311)	—	—	—	374,581
Cost of sales	<u>(42,404)</u>	<u>90</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(42,314)</u>
Gross profit	353,488	(21,221)	—	—	—	332,267
Other income, gains and losses	437,888	—	—	—	—	437,888
Selling expenses	(2,254)	—	—	—	—	(2,254)
Administrative expenses	(126,818)	2,501	—	—	—	(124,317)
Gain on disposal of subsidiaries	11,440	—	—	—	—	11,440
Net fair value loss on investment properties	(1,212,858)	135,186	—	(343,538)	—	(1,421,210)
Finance costs	<u>(84,579)</u>	<u>—</u>	<u>21,678</u>	<u>—</u>	<u>—</u>	<u>(62,901)</u>
Loss before income tax expense	(623,693)	116,466	21,678	(343,538)	—	(829,087)
Income tax expense	<u>(22,810)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(563)</u>	<u>(23,373)</u>
Loss for the year	<u><u>(646,503)</u></u>	<u><u>116,466</u></u>	<u><u>21,678</u></u>	<u><u>(343,538)</u></u>	<u><u>(563)</u></u>	<u><u>(852,460)</u></u>

Notes:

1. The audited consolidated statement of profit or loss for the year ended 31 December 2023 are extracted from the published annual report of the Company for the year ended 31 December 2023.
2. The adjustment represents the exclusion of the financial performance attributes to Haven Court Properties for the year ended 31 December 2023, assuming the Possible Very Substantial Disposal had taken place on 1 January 2023, which are extracted from the unaudited profit and loss statements on the identifiable net income stream of Haven Court Properties as set out in Appendix II to this circular.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

3. The adjustment represents the exclusion of the finance cost arising from the bank borrowing that is pledged to Haven Court Properties for the year ended 31 December 2023, assuming the Possible Very Substantial Disposal had taken place on 1 January 2023, which are extracted from the unaudited profit and loss statements on the identifiable net income stream of Haven Court Properties as set out in Appendix II to this circular.

4. The adjustments reflect the loss on the Possible Very Substantial Disposal of Haven Court Properties by the Group, assuming the Possible Very Substantial Disposal had taken place on 1 January 2023:

	<i>HK\$'000</i>
Calculation of pro forma loss on the Possible Very Substantial Disposal:	
Net cash consideration (<i>note a</i>)	1,858,500
Less: estimated professional fees and other expenses directly attributable to the Disposal (<i>note b</i>)	<u>(2,038)</u>
	1,856,462
Less: carrying value of Haven Court Properties as at 1 January 2023	<u>(2,200,000)</u>
Loss on the Possible Very Substantial Disposal	<u><u>(343,538)</u></u>

Notes:

- (a) The amount is determined based on 88.5% of the Appraised Value from the Property Valuation Report as attached in Appendix IV.

 - (b) The adjustment represents the recognition of the estimated transaction costs of approximately HK\$2,038,000, including but not limited to legal and professional fees, directly attributable to the Possible Very Substantial Disposal as estimated by the Directors.
5. The adjustment represents the exclusion of the income tax expense arising from Haven Court Properties for the year ended 31 December 2023, assuming the Possible Very Substantial Disposal had taken place on 1 January 2023, which are extracted from the unaudited profit and loss statements on the identifiable net income stream of Haven Court Properties as set out in Appendix II to this circular.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

**B. UNAUDITED PRO FORMA CONSOLIDATED NET ASSETS STATEMENT OF
THE REMAINING GROUP**

	The Group as at 31 December 2023						Unaudited pro forma total for the Remaining Group as at 31 December 2023
	Pro forma adjustments						HK\$'000
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000
Non-current assets							
Investment properties	18,171,015	(2,100,000)	—	—	—	—	16,071,015
Property, plant and equipment	114,714	—	—	—	—	—	114,714
Financial assets at fair value through other comprehensive income ("FVTOCI")	43,006	—	—	—	—	—	43,006
Loan receivables	4,349	—	—	—	—	—	4,349
Total non-current assets	18,333,084	(2,100,000)	—	—	—	—	16,233,084
Current assets							
Properties for sale	1,381,903	—	—	—	—	—	1,381,903
Trade and other receivables	146,940	—	—	—	—	—	146,940
Short-term bank deposits	635,200	—	—	—	—	—	635,200
Cash and cash equivalents	503,106	—	(3,289)	—	1,436,462	—	1,936,279
Total current assets	2,667,149	—	(3,289)	—	1,436,462	—	4,100,302
Current liabilities							
Trade and other payables	544,983	—	(3,289)	—	—	—	541,694
Contract liabilities	189,382	—	—	—	—	—	189,382
Lease liabilities	16,921	—	—	—	—	—	16,921
Borrowings	585,072	—	—	(20,000)	—	—	565,072
Provision for income tax	121,123	—	—	—	—	—	121,123
Total current liabilities	1,457,481	—	(3,289)	(20,000)	—	—	1,434,192
Net current assets	1,209,668	—	—	20,000	1,436,462	—	2,666,130
Total assets less current liabilities	19,542,752	(2,100,000)	—	20,000	1,436,462	—	18,899,214
Non-current liabilities							
Borrowings	931,727	—	—	(400,000)	—	—	531,727
Lease liabilities	21,003	—	—	—	—	—	21,003
Deferred tax liabilities	130,160	—	—	—	—	(4,616)	125,544
Total non-current liabilities	1,082,890	—	—	(400,000)	—	(4,616)	678,274
Net assets	18,459,862	(2,100,000)	—	420,000	1,436,462	4,616	18,220,940

Notes:

- The audited consolidated net assets statement of the Group as at 31 December 2023 are extracted from the published annual report of the Company for the year ended 31 December 2023.

**APPENDIX III UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

2. The adjustment represents the exclusion of the carrying value of Haven Court Properties as at 31 December 2023, assuming the Possible Very Substantial Disposal had taken place on 31 December 2023.
3. The adjustment represents the refund of rental deposits received of approximately HK\$3,289,000 to respective tenants upon the disposal of the Haven Court Properties to the successful bidder.
4. The adjustment represents the exclusion of the carrying value of the bank borrowing that is pledged to Haven Court Properties as at 31 December 2023, assuming the Possible Very Substantial Disposal had taken place on 31 December 2023.
5. The adjustments reflect the net cash consideration received upon completion of the Possible Very Substantial Disposal amounting to approximately HK\$1,436,462,000, representing the consideration of approximately HK\$1,858,500,000 minus direct expense attributable to the Possible Very Substantial Disposal, net of repayment of bank borrowings of approximately HK\$420,000,000.

	<i>HK\$'000</i>
Cash received upon the Disposal (<i>note a</i>)	1,858,500
Less: repayment of bank borrowings	(420,000)
Less: estimated professional fees and other expenses directly to the Possible Very Substantial Disposal (<i>note b</i>)	<u>(2,038)</u>
Net cash inflows arising on the Possible Very Substantial Disposal upon completion on 31 December 2023	<u><u>1,436,462</u></u>

Notes:

- (a) The amount is determined based on 88.5% of the Appraised Value from the Property Valuation Report as attached in Appendix IV.
 - (b) The adjustment represents the recognition of the estimated transaction costs of approximately HK\$2,038,000, including but not limited to legal and professional fees, directly attributable to the Possible Very Substantial Disposal as estimated by the Directors.
6. The adjustment represents the exclusion of the deferred tax liabilities in relation to Haven Court Properties as at 31 December 2023, assuming the Possible Very Substantial Disposal had taken place on 31 December 2023.

C. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in respect of the pro forma financial information of the Group, for the purpose of inclusion in this circular.

**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Soundwill Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Soundwill Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net asset statement as at 31 December 2023, the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2023, and related notes as set out on pages III-1 to III-5 of the circular issued by the Company dated 24 May 2024 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-5 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the possible very substantial disposal in relation to the auction of Haven Court on the Group’s financial position as at 31 December 2023 and the Group’s financial performance for the year ended 31 December 2023 as if the transaction had taken place at 31 December 2023 and 1 December 2023 respectively. As part of this process, information about the Group’s financial position and financial performance has been extracted by the Directors from the Group’s financial statements for the year ended 31 December 2023, on which an annual report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 May 2024

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from **Vigers Appraisal And Consulting Limited**, an independent valuer, in connection with their valuations of the property as at 29 February 2024.*

Vigers Appraisal And Consulting Limited
International Asset Appraisal Consultants
27th Floor, Standard Chartered Tower
Millennium City 1
388 Kwun Tong Road
Kowloon
Hong Kong



24 May 2024

The Directors
Soundwill Holdings Limited
21st Floor, Soundwill Plaza
38 Russell Street
Causeway Bay
Hong Kong

Dear Sirs.

Re: Valuation of Property in Hong Kong — Haven Court, Nos. 2–30 Haven Street and Nos. 128–138 Leighton Road, Causeway Bay, Hong Kong

In accordance with your instructions for us to value the captioned property, which Soundwill Holdings Limited and/or its subsidiaries (hereafter referred to as the “**Company**”) intend to acquire for future development, we confirm that we have inspected the property, made relevant enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of the value of the property as at 29 February 2024 (“**the date of valuation**”).

Our valuation is our opinion of market value of the property which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Our valuation has been made on the assumption that the owners sold the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which might serve to affect the values of the property.

We have conducted land searches at the Land Registry but we have not scrutinised the original documents to ascertain ownership nor to verify any lease amendments which might not appear on the copies handed to us. In any events, we reserve the right to revise our valuations should there disclose any information which is in contravention to the information provided to us.

We have relied on considerable extent on the information provided by the Company and have accepted advice given to us on such matters as tenure, areas, occupation, statutory notice, easements, and all other relevant matters. All documents have been used as reference purposes only. All dimensions, measurements and areas are approximate.

The property was inspected by Mr. Gilbert Yuen MHIS MRICS RPS(GP) on 28 March 2024 for the purpose of this valuation.

We have not carried out a land survey to determine the demarcation of the subject lot. We have not allowed for any contamination or pollution of the land which might occur due to the past usage.

Where there are buildings or structures on the property, we have not carried out a structural survey nor have we inspected woodwork or other parts of the property which are covered, unexposed or inaccessible, we are therefore unable to report that any parts of the property were free from defects. No detailed inspection has been taken to the internal conditions of the building. However, from our exterior inspection, the existing building is maintained in a satisfactory condition commensurate to its age. The building is connected to the services of electricity, water and sewage.

No allowance has been made in our valuation for any charges, mortgages, or amounts owing on the property or any expenses or taxation which might be incurred in effecting a sale. Unless otherwise stated, we have assumed that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could serve to affect the value of the property.

Our valuation has been prepared in accordance with “The HKIS Valuation Standards (2020 Edition)” published by The Hong Kong Institute of Surveyors, the relevant provisions in the Companies Ordinance, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (Main Board).

We enclose herewith the valuation report.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED
Gilbert K. M. Yuen
MHKIS MRICS RPS(GP)
Executive Director

Note: Mr. Gilbert K. M. Yuen is a Registered Professional Surveyor in General Practice Division with over 30 years' post qualification valuation experience on properties in Hong Kong.

VALUATION REPORT

Property interests which the Company intends to acquire for future development in Hong Kong

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 29 February 2024
The whole of Haven Court, Nos. 2–30 Haven Street and Nos. 128–138 Leighton Road, Causeway Bay, Hong Kong	The property comprises all the interests of Haven Court in Causeway Bay district of Hong Kong. Haven Court is a 11-storey composite building with shops on Ground Floor and residential upper parts, which is currently in fragmented-ownership.	The existing building of Haven Court are seen being occupied. However, for the purpose of this valuation, it is assumed that vacant possession is immediate available as at the date of valuation.	HK\$2,100,000,000 on redevelopment basis
100/100th equal and undivided shares of and in Section C of Inland Lot No. 2147	The building was completed in 1959. The total saleable floor area of the building is approximately 94,757 sq.ft. (8,803.14 sq.m.). It is erected on a site with site area of 13,150 sq.ft. (1,221.66 sq.m.) or thereabouts. The property is held under a Government Lease for a term of 999 years commencing from 30 June 1886. The Government rent is HK\$37.5 for Section C of Inland Lot No. 2147.		

Notes:

- The registered owners of the property are as follows:

Shops 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 16 and 34 on G/F, Blocks A, B, F and H on 1/F; Block G on 1/F; Block K, on 5/F; Block G on 8/F; Block F on 9/F : Lead Properties Limited

Shops 14, 15, 17, 19, 20, 21, 26, 27, 29, 30, 36 and 38 on G/F, Block J on 7/F; Blocks H and L on 10/F : Harvest Fortune Limited

Shops 18, 32, 33, 35, 37, 40, 42, 43, and 45 on G/F, Blocks C, D, E, G, I, J, K, L and M on 1/F; Blocks A, B, D, E, F, G, H, I, J, K and L on 2/F; Blocks A, B, C, D, E, F, G, H, J, K, L and M on 3/F; Blocks A, B, C, D, E, F, H, I, J, K, L and M on 4/F; Blocks A, B, C, D, F, G, H, I, J, K, L and M on 5/F; Blocks A, B, C, D, E, F, G, H, I, J, K, L and M on 6/F; Blocks A, B, D, E, F, G, H, L and M on 7/F; Blocks A, B, E, F, I, J, L and M on 8/F; Blocks A, B, C, D, E, F, G, H, I, J, K, L and M on 9/F; Blocks A, B, I, J, K, L and M on 10/F	:	Billion Glory Properties Limited
Shops 11 and 39 on G/F	:	Li Baozhu and Wong Tak Kuen (Tenants in Common)
Shops 13 on G/F	:	Hui Suk Fong Alice
Shops 24 and 25 on G/F	:	Lee Chou Sim
Shops 28 and 41 on G/F	:	Leung Kai Wai and Leung Kai Wah (Co-Administrators)
Shop 44 on G/F	:	Leung Oi Kin and Lai Chung Shing (Joint Tenants)
Block C on 2/F	:	Larm Kit Fung
Block M on 3/F	:	Yeung Mei Chun
Block I on 3/F	:	Dragon Top Development Limited
Block E on 5/F	:	Yip Kam and Lau Choi Fung (Joint Tenants)
Block C on 7/F	:	Po Leung Kuk
Block I on 7/F	:	Up Brilliant Limited (1/4) Long Fame Capital Investment Limited (1/4) Yeung Ying King (1/2)
Block C on 8/F	:	Cheung Ping Yuen and Wong Kam Fung (Joint Tenants)
Block D on 8/F	:	Tso Sau Sang
Block H on 8/F	:	Cheng Fok Yee Ching

- Block K on 8/F : Chow Richard Hoi and Chow Joanne Kam Chu (Joint Tenants)
- Block D on 9/F : Tsui Che Man (Administratrix)
- Block I on 9/F : Lee Chi Ming and Lee Leung Fung Lin (Joint Tenants)
2. The property is subject to the following encumbrances:
- All the units of Haven Court : (a) Notice No. “UMB/5OF101/1701-388/0066” by the Building Authority under S.30B(3) of the Buildings Ordinance Remarks: For common part(s) only vide Memorial No. 18101201850174 dated 18 July 2018
- (b) Order No.”C/TB/005417/20/HK” under S.24(1) of the Buildings Ordinances Remarks: By the Building Authority re For common part(s) only vide Memorial No. 22121601770010 dated 23 September 2021
- (c) Order No. “DR00176/HK/23” by the Building Authority under S.28(3) of the Buildings Ordinances Remarks: For common (parts) only vide Memorial No. 23090601550042 dated 30 June 2023
- Shops 11 and 39 on G/F : (a) Mortgage in favour of Maxcolm Finance Limited vide Memorial No. 22021700390045 dated 15 February 2022
- (b) Second Mortgage Remarks in favour of Great Wealth Finance Limited Remark: By Wong Tak Kuen 4/10 shares vide Memorial No. 22062001360036 dated 17 June 2022
- (c) Fourth Legal Charge in favour of EC Pay Financial Limited Remarks: By Wong Tak Kuen 4/10 shares vide Memorial No. 22070800650026 dated 24 June 2022
- (d) Third Mortgage Remarks in favour of Prosperity Bright Financial Group Limited Remarks: By Wong Tak Kuen 4/10 shares vide Memorial No. 22071900130029 dated 20 June 2022
- (e) Fifth Mortgage Remarks in favour of Great Wealth Finance Limited Remarks: By Wong Tak Kuen 4/10 shares vide Memorial No. 22071800890038 dated 14 July 2022
- (f) Sealed Copy Amended Charging Order Absolute in favour of Lucksome Capital Limited (Plaintiff), Wong Tak Kuen (Defendant) Remarks: In H.C. Action No. 250 of 2023 amended on 3.8.2023 Re: 4/10 shares vide Memorial No. 23082501760060 dated 30 June 2023

- (g) Sealed Copy Charging Order Absolute in favour of Mei Lik Ko Finance Limited (Plaintiff (Judgement Creditor)), Wong Tak Kuen (Defendant (Judgement Debtor)) Remarks: In H.C. Action 454 of 2023 Re: 4/10 shares vide Memorial No. 24011201650215 dated 28 November 2023
- Shops 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 16, 34 and 38 on G/F, Blocks A, B, F and H on 1/F; Block G on 4/F; Block K, on 5/F; Block G on 8/F; Block F on 9/F : Order No. "UBZ/U09-16/0075/04" by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06102400850210 dated 23 March 2006
- Shops 14, 15, 17, 19, 20, 21, 26, 27, 29, 30, 36 and 38 on G/F, Block J on 7/F; Blocks H and L on 10/F : Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 18110202310049 dated 25 October 2018
- Shops 32, 37, 40, 42 and 43 on G/F, Blocks E, I and J on 1/F; Blocks A, B, F, H, K and L on 2/F; Blocks B, E, F, J and, K on 3/F; Blocks D and J on 4/F; Blocks C, I, and L on 5/F; Blocks A, B, C, D, E, F, H, I and M on 6/F; Blocks A, D, E, K and L on 7/F; Blocks B, E, F, I, J and L on 8/F; Blocks A, E, G, J and M on 9/F; Blocks A, B, I, and K on 10/F : Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 18110202310032 dated 25 October 2018
- Shops 14, 15, 17, 19, 20, 21, 26, 27, 29, 30 and 36 on G/F, Block J on 7/F; Blocks H and L on 10/F : Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 18110202310049 dated 25 October 2018
- Block F on 1/F : Order No. "UBZ/U09-16/0019/04" by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06102400850103 dated 23 March 2006
- Block G on 1/F : Order No. "UBZ/U09-16/0020/04" by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06102400850118 dated 23 March 2006
- Block K on 1/F : Order No. "UBF/F01-16/0015/04" by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 09032701450363 dated 4 February 2009
- Block J on 2/F : Order No. "UBZ/U09-16/0026/04" by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100390138 dated 23 March 2006

- Block D on 3/F : Order No. “C/TB/005421/20/HK” under S.24(1) of the Buildings Ordinance Remarks: By the Building Authority vide Memorial No. 21110101030250 dated 23 September 2021
- Block F on 3/F : Order No. “C/TB/000236/18/HK” under S.24(1) of the Buildings Ordinance Remarks: By the Building Authority vide Memorial No. 18030701110031 dated 7 February 2018
- Block I on 4/F : Order No. “UBZ/U09–16/0037/04” By the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100390123 dated 23 March 2006
- Block D on 5/F : Order No. “UBZ/U09–16/0041/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100390145 dated 23 March 2006
- Block H on 5/F : Order No. “UBZ/U09–16/0045/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100370163 dated 23 March 2006
- Block B on 6/F : Order No. “UBF/F01–013/0017/08” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 09032601310229 dated 4 February 2009
- Block J on 6/F : Order No. “UBZ/U09–16/0053/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100390234 dated 23 March 2006
- Block C on 7/F : Order No. “UBZ/U09–16/0056/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100370046 dated 23 March 2006
- Block E on 7/F : Order No. “UBZ/U09–16/0058/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100370064 dated 23 March 2006
- Block I on 7/F : Mortgage in favour of Hang Seng Bank Limited vide Memorial No. 17011900220203 dated 30 December 2016
- Block K on 8/F : Certified Copy of Death Certificate Remarks: Of Chow Richard Hoi also known as Richard Hoi Chow also known as Hoi-Nam Chow, deceased vide Memorial No. 22042600890019 dated 13 January 2020
- Block C on 9/F : Order No. “UBZ/U09–16/0075/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06102400850210 dated 23 March 2006
- Block D on 9/F : Order No. “BBZ/U09–16/0056/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 061101003700103 dated 23 March 2006

- Block G on 9/F : (a) Order No. “UBZ/U09–16/0075/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 06110100370087 dated 23 March 2006
- (b) Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 18110202310032 dated 25 October 2018
- Block L on 9/F : Order No. “UBZ/U09–16/0077/04” by the Building Authority under S.24(1) of the Buildings Ordinance vide Memorial No. 061024008501120 dated 23 March 2006
- For All units of Haven Court : Sealed Copy of Judgement Lands Tribunal in favour of Billion Glory Properties Limited (1st Applicant), Harvest Fortune Limited (2nd Applicant), Lead Properties Limited (3rd Applicant), Li Baozhu and Wong Tak Kuen (1st Respondents), Hui Suk Fong Alice, the administratrix of the estate of the estate of Ho Wing Mui, deceased (2nd Respondent), Lee Chi Ming (3rd Respondent), Lee Chou Sim (4th Respondent), Leung Kai Wai (as the co-administrator of the estate of Pang Lai Wah, deceased, and Leung Ka Wah (as the co-administrator of the estate of Pang Lai Wah, deceased) (5th Respondent), Leung Ka Wai (as the co-administrator of the estate of Pang Lai Wah, deceased) and Leung Ka Wah (as the co-administrator of the estate of Pang Lai Wah, deceased, Leung Ka Wai (as tenant-in-common with the estate of Pang Lai Wah, deceased in equal shares) (6th Respondent), Leung Oi Kin and Lai Chung Shing (7th Respondents), Lee Cheung Sang, Lee Keng Chung and Lee Wing Tai, the executor of the estate of Lee Kai Yau otherwise spelt as Lee Kai Yaw, deceased (8th Respondents) (discontinued), Dragon Top Development Limited (9th Respondent), Larm Kit Fung (10th Respondent), Yeung Mei Chun (11th Respondent), Chan Hau Ling, Chan Tat Chiu, Chan Fan and Chan Tat Man (12th Respondents) (discontinued), Yip Kam (13th Respondent), Lau Chi Ling and Lau Tin Fai (14th Respondents) (discontinued), Lam Lai Kam (15th Respondent) (discontinued), Po Leung Kuk (16th Respondent), Au Wai Wah (17th Respondent) (discontinued), Yeung Ying King (18th Respondent), Cheung Ping Yuen and Wong Kam Fung (19th Respondents) Tso Sau Sang (20th Respondent), the personal representative of the estate of Cheng Fok Yee Ching, also known as Fok Yee Ching, deceased (21st Respondent), Chow Joanne Kam Chu (22nd Respondent), Tsui Che Man, the administrator of the estate of Tsui Che Chun, deceased (23rd Respondent), Lee Chi Ming and Lee Leung Fung Lin (25th Respondents), Maxcolm Finance Limited (26th Respondents) Remarks: Land Compulsory Sale Main Application No. 23000 of 2019 vide Memorial No. 24040301550016 dated 29 February 2024

3. The property is zoned “Other Specified Uses (For “Mixed Uses”) only” under Causeway Bay Outline Zoning Plan No. S/H6/17 dated 8 January 2019. According to the explanatory note attached to the outline zoning plan, this zone is primary intended for mixed non-industrial land uses. Flexibility for development/redevelopment/conversion of residential or other uses or combination of various types of compatible uses including commercial, residential, educational, cultural, recreational and entertainment uses, either vertically within a building or horizontally over a spatial area, is allowed to meet changing market needs. Physical segregation has to be provided between the non-residential and residential portions within a new/converted building to prevent non-residential uses from causing nuisance to the residents. Some commercial uses are always permitted in an existing mixed use building before its redevelopment/conversion.

For land under this zone, “Hotel”, “Office” and “Shop and Services” are amongst the uses that are always permitted for non-residential building or non-residential portion of a building upon development/redevelopment/conversion; “Flat” and “House” are amongst the uses that are always permitted for residential building or residential portion of a building upon development/redevelopment/conversion; and “Flat”, “Hotel”, “Office” and “Shop and Services” are amongst the uses that are always permitted for an existing building before development/redevelopment.

For site on the two sides of Haven Street, a minimum set back of 0.5m from the lot boundary fronting Haven Street shall be provided.

4. The Government Lease of Inland Lot No. 2147 contain *inter alia* the following clauses concerning the uses of the land:

“.....shall not nor will during the continuance of this demise, use, exercise, or follow, in or upon the said premises or any part thereof, the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler, or Tavern keeper, Blacksmith, Nightman, Seavenger or any other noisy, noisome or offensive trade or business whatever without the previous licence of His said Majesty....”

5. The property is situated on the northeastern side of Haven Street at the junction therewith Leighton Road in Causeway Bay district of Hong Kong. The locality is at the fringe of the commercial hub of Causeway Bay. This part of Causeway Bay is largely associated with institutional users such as schools, hospital, sport club and sport ground with some older residential/commercial composite buildings. The area is expected to be undergoing major rejuvenation following a mega commercial project currently under development at Caroline Hill Road. The area is conveniently served by public transportation such as buses, light buses and taxis. The Causeway Bay MTR station is about 7 to 10 minutes’ walk from it.
6. Our valuation of the property is made on redevelopment basis and assuming that vacant possession is immediate available as the date of valuation. In valuing the property held for future development, we have adopted the residual approach of valuation, which is commonly used in valuation of development land particularly when land comparable is scarce. The residual valuation involves in assessing the completed value, namely, gross development value (“GDV”) of an optimum development, from which the costs of development including construction, professional fees, interest, and developer’s profit etc. are deducted to arrive at the residual figure representing the site value. This method was used by the Lands Tribunal in adjudicating for the reserve price of granting compulsory sale order for the property under by Land (Compulsory Sale For Redevelopment) Ordinance Cap 545.
7. Taking into consideration of the characteristic of the locality and the prevailing market conditions, the optimum development for the purpose of this valuation would be in the form of multi-storey commercial building with shops on the ground floors and retail/office on the upper floors with a plot ratio of 15 being the highest achievable plot ratio under the town planning provisions and the Government Lease. GDV is assessed by reference to comparable transactions in the market. Transactions of similar properties are collated and analysed with due adjustments allowed for the difference between the subject property and the comparable properties. In our valuations, we have assessed the ground floor shops and the upper floor

office of averagely HK\$45,000 per sq.ft. and HK\$26,000 per sq.ft. respectively on saleable area taking into consideration of the adjusted unit rates for Ground Floor shops in the vicinity being HK\$41,990 to HK\$45,028 per sq.ft. on saleable area, whilst the adjusted unit rates of office in Causeway Bay are from HK\$17,500 to HK\$26,506 per sq.ft. on saleable area. Our assessment of the GDV and development costs (including developer's profit) are HK\$4,612,000,000 and HK\$2,512,000,000 respectively.

The selection criteria of choosing the comparables are the usage, time of transactions and location characteristic. We have tried to collate the comparables close to the relevant date of valuations to reflect the depressed market and weak demand of commercial properties, retail or office. Taking into consideration that the property is located at the fringe of Causeway Bay, outside literally the commercial hub of the district. The comparables should better reflect this location characteristic.

Because of the weak market conditions, only a few transactions were recorded which could fit the above criteria. We have not excluded the comparable transactions which are considered meeting the selection criteria. With that in mind, the comparable transactions are considered representative and exhaustive.

We have made reference to the followings comparables in the assessment of GDV:

Transaction Date	Description of the Property	Age of the Building (years)	Saleable Area (sq.ft.)	Consideration (HK\$)	Price per sq.ft. (HK\$)
Office					
9/11/2023	Unit D, 3/F, Lippo Leighton Centre, 103 Leighton Road, Hong Kong, within the commercial hub but relatively close to the subject property with better quality	1992	497	11,500,000	23,138
24/5/2023	Unit B, 7/F, Guangdong Tour Centre, 18, Penington Street, Hong Kong, within the commercial hub but relatively close to the property with better quality	1994	415	11,000,000	26,506
13/9/2023	Unit C, 5/F, Prosperous Commercial Building, 56-58 Jardine's Bazaar, Hong Kong within the commercial hub but with inferior quality	1991	415	6,300,000	15,180
Retail					
13/4/2023	Shop B on Ground Floor, 103 Leighton Road close to the subject property with main frontage on Leighton Road	1992	689	36,500,000	52,975
13/4/2023	Shop A on Ground Floor, 103 Leighton Road close to the subject property with main frontage on Leighton Road	1992	746	36,800,000	49,330

8. Billion Properties Limited, Harvest Fortune Limited and Lead Properties are wholly-owned subsidiaries of the Company, which currently hold the majority interests in Haven Court (hereinafter collectively referred to “**the interests of the Company**”). Collateral to the redevelopment value of the subject property, we have assessed the existing use value of (“EUV”) of Haven Court as at 29 February 2024 being HK\$1,237,460,000, of which the EUV of the interests of the Company and rest of the interests in Haven Court being HK\$1,112,040,000 and HK\$125,420,000 respectively. The EUV are assessed by comparison approach with reference to comparison transactions of either older apartments, retail shops in the locality. Regards have been given to the relative merits and demerits of each unit to the others as well as with the comparables.

Based on the respective proportions of the EUV of the interests of the Company and the rest of interests in Haven Court, with a redevelopment value of HK\$2,100,000,000, the shares of the interests of the Company and the rest of interests in Haven Court would be HK\$1,887,250,000 and HK\$212,750,000 respectively.

9. There are no conditions stipulated in the Government Lease of the property as to the construction of roadway, pathway, sewage and other facilities or services for public uses.

The Remaining Group is principally engaged in various lines of business including property assembly, property leasing, property development and provision of building management services in Hong Kong and property development in the PRC.

Set out below is the management discussion and analysis of the Remaining Group for each of the financial years ended 31 December 2021, 2022 and 2023 prepared on the basis that the profit and loss on the identifiable net income stream of Haven Court Properties is not consolidated. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for the relevant years.

FOR THE YEAR ENDED 31 DECEMBER 2021

Segmental Information

Property Portfolio

Despite the adverse impact of COVID-19 on the major properties of the Remaining Group over the past two years, the Remaining Group expects that revenue from its properties will grow in the post-pandemic era as they are all located in prime locations in Hong Kong. During the year of 2021, the Remaining Group began construction of iCITY, an industrial project in Kwai Chung that the Remaining Group believes will become a new landmark in the area. The Remaining Group is also working to raise the quality of its buildings and ancillary facilities in order to provide a better experience for owners and tenants. Additionally, the Remaining Group will continue to look for sites with high appreciation potential in order to replenish its land reserves at a reasonable cost and thus increase potential earnings.

Property Assembly

Due to the pandemic and the unfavourable business climate, property investment sentiment remained bleak throughout the year of 2021 as market transactions came under pressure. However, the Remaining Group remained committed to revitalising old districts and eliminating the structural risks of old buildings in Hong Kong through property mergers and acquisitions. The Remaining Group will also continue to replenish its land reserves at opportune times to capture business opportunities according to developments in the market. During the year of 2021, the Remaining Group gained whole ownership of the South China Cold Storage Building in Kwai Chung and strengthened its property investment portfolio in order to generate earnings for the Remaining Group and its stakeholders.

Property Leasing

For the year ended 31 December 2021, the Remaining Group's property leasing business segment recognised revenue of approximately HK\$396,270,000, representing approximately 73% of the Remaining Group's total revenue for the year of 2021.

The decline in sales among its retail tenants bottomed out at the year end, and some increases were recorded following the relaxation of social distancing measures. Nevertheless, the outlook for an economic recovery remained uncertain as a result of the prolonged pandemic and tight global border controls. The leasing business sector of the Remaining Group remained under stress as adjustments were made to new and renewed lettings as well as rental reviews. Besides, full recovery of the retail sector is dependent on curbing the pandemic and whether the restrictions on cross-border travel will be lifted.

Although social distancing and other restrictions declined in comparison with the year before, some industries were more affected than others by the anti-pandemic measures. To support its tenants, the Remaining Group launched a variety of initiatives to create business opportunities for them. Together with the proactive marketing campaigns the Remaining Group introduced, the Remaining Group succeeded in attracting local consumers to its high-quality property portfolio and creating a premium brand experience. However, the appearance of new COVID-19 variants could affect the livelihood and business operations of its tenants, which would create further short-term pressure on the property leasing business of the Remaining Group.

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. Since retailers remained hesitant to expand their businesses out of the unfavourable factors during the year of 2021, overall rental income for Soundwill Plaza in 2021 declined.

Soundwill Plaza II — Midtown

Soundwill Plaza II — Midtown is located in Causeway Bay at 1 Tang Lung Street in a local hotspot for food and beverage and leisure activities. During the year of 2021, the retail and tourism industries have not yet recovered in response to the pandemic, the overall rental income for Soundwill Plaza II — Midtown dropped in the year of 2021.

10 Knutsford Terrace

10 Knutsford Terrace is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, one of the most prominent tourist and leisure districts in Hong Kong. As the business of beauty parlours, pubs and bars was seriously disrupted by social distancing measures during the year of 2021, overall rental income for 10 Knutsford Terrace dropped slightly.

Kai Kwong Commercial Building

Kai Kwong Commercial Building is an integrated commercial project located at 332–334 Lockhart Road, Wan Chai. Affected by the economic downturn and a lack of investor confidence, the overall rental income for Kai Kwong Commercial Building declined.

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 Remaining Group's rental properties, which recorded a drop in rental income for the year of 2021.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Remaining Group, offers secure and comfortable storage space to customers as well as professional management services. The storage facility is equipped with fire safety devices that comply with the latest regulatory guidelines. The existing branches of One Storage are strategically located in Kennedy Town, Wong Chuk Hang, Chai Wan, San Po Kong, Yau Tong, Fo Tan, Tuen Mun, Tsing Yi, Tai Po, Kwai Chung and Tsuen Wan. By the end of 2021, the number of branches had grown to 32, to increase the leasable area and earnings. In 2022, the business will be expanded progressively as additional branches are opened in suitable locations. High-quality, professional storage services will thus be provided to more customers for this service.

One Storage actively launched online promotions by leveraging the integration of its digital marketing and back-end management to improve the Remaining Group's operating and sales efficiency and revenue. The team rolled out online and offline creative promotion programmes to target audiences with different needs. Together with the enhancements including an optimised website and interactive games, and the addition of high-quality branches in residential and industrial areas, One Storage was able to attract more potential customers.

Property Development

For the year ended 31 December 2021, the Remaining Group's property development business segment recognised revenue of approximately HK\$127,048,000, representing approximately 23% of the Remaining Group's total revenue for the year of 2021.

Industrial Project — iCITY

iCITY is a new round-the-clock digital industrial landmark located at 105–113 Ta Chuen Ping Street, Kwai Chung. This 20-storey building provides 601 workshops in total. Each workshop on a typical floor has a gross floor area of about 335 square feet to 510 square feet. The estimated material date for this project is the fourth quarter of 2023.

Equipped with the latest digital technology and featuring a full curtain wall facade, iCITY is destined to become the iconic industrial project in the district.

Real Estate Business in the Mainland China

During the year of 2021, the central government in Mainland China maintained strict control over the property market. Following the principle of “houses are built to be inhabited, not for speculation” and a policy of stabilising land premiums, property prices and expectations, local governments across the country imposed price limits to ensure a stable property market. Regulations governing financial institutions were also strengthened to prevent unauthorised funds entering the property market. Such policies played a crucial role in stabilising the property market in Mainland China.

Followed the domestic market trend, projects of the Remaining Group in Mainland China included Grand Capital (Shan Shui Xiang Ri Hao Ting) in Doumen District, Zhuhai City. The confirmation of rights for this property was completed for the finished units, which were ready for immediate delivery and ownership confirmation at purchase, to give more confidence to home purchasers. This project was in the stock clearance stage. Located in Gaoyao District, Zhaoqing, the Lakeview Bay • VOGUE is an integrated project comprising villas and high-rise residences. The villas of Phase I were sold out, while more than half of the residential units of Phase II were sold and ready for immediate delivery and ownership confirmation at purchase. The commercial units and car parking spaces were available for sale concurrently. The sales performance of this project is relatively stable.

Building Management and Other Services

For the year ended 31 December 2021, the Remaining Group’s building management business segment recognised revenue of approximately HK\$22,928,000, representing approximately 4% of the Remaining Group’s total revenue for the year of 2021.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Remaining Group, specialises in high-quality property management and maintenance as well as facilities management services for A-Grade large-scale commercial buildings, industrial buildings and small and medium-sized estates. This subsidiary demonstrates its compliance with international standards by its highly experienced building management team which has achieved ISO9001, ISO14001 and ISO45001 certifications. In accordance with the need of its customers and society, the building management team conducts regular internal assessments to improve its quality of service and innovate, in order to provide the owners and tenants a higher quality of comprehensive service of property management, customer and maintenance services. The team also makes use of the latest high-end technology in the market to improve its overall service quality.

In order to reduce carbon emissions and comply with government environmental policies, the Remaining Group have set up an environmental managing and energy saving team. This team is responsible for implementing energy-saving measures and setting appropriate strategies and annual targets for improving energy efficiency, which aims at developing a sustainable society.

To provide a safe and secure environment for customers, merchants and employees during the pandemic, the team has continued to adopt stringent preventative measures, apply photocatalyst coating technology in its buildings and provide contact-free equipment, infrared temperature detectors and enhanced air purifiers since 2020. It also planned to introduce robots for delivering meals and packages to alleviate the bacterial and viral transmission. As of the end of 2021, all frontline staff had been vaccinated against COVID-19 to offer customers, tenants and employees a safe and worryless living and working environment.

Soundwill Club

During the year of 2021, the Remaining Group continued to expand the marketing channels and scale of the Soundwill Club mobile app to facilitate interactions with customers and implemented various online marketing activities to provide a more attractive shopping experience. As an integrated one-stop digital platform, the Soundwill Club integrated its e-commerce and backend management functions to analyse its target audiences and tenants to bring them new, targeted online and offline promotional activities, incentives and services in response to market needs. These initiatives were part of its efforts to offer customers a safe, caring and high-quality shopping experience during the pandemic as well as in times when social distancing measures are enforced, in order to boost customer loyalty and its competitiveness.

Results of Operations

During the year of 2021, the Remaining Group recorded a revenue of approximately HK\$546,245,000, representing a decrease of approximately HK\$123,017,000 as compared with the year of 2020. The decrease in revenue was mainly due to the decrease in rental income due to the rental waivers to its tenants in response to the adverse impact to their business brought by COVID-19 outbreak and the sales of properties sold.

Loss Attributable to Owners of the Company

During the year of 2021, the Remaining Group has recorded a loss attributable to owners of the Company of approximately HK\$824,794,000, an increase of 365.0% as compared with the year of 2020. The increase in loss was mainly due to valuation loss of HK\$1,081,458,000 and no impairment loss on loan receivable was recorded as of 31 December 2021.

Net Assets

The net assets of the Remaining Group as at 31 December 2021 amounted to approximately HK\$17,992,034,000. Net asset value per share as at 31 December 2021 is HK\$63.5.

Financial Resources and Liquidity

As at 31 December 2021, the Remaining Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to approximately HK\$1,136,540,000. Total borrowings of the Remaining Group amounted to approximately HK\$1,421,500,000 as at 31 December 2021, none of which are at fixed interest rates.

As at 31 December 2021, the Remaining Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 8%.

The Remaining 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 of 2021, there was no material impact on the Remaining Group arising from the fluctuation in the exchange rates of these currencies. During the year of 2021, the Remaining 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.

The funding and treasury policies and practice that the Remaining Group adheres to are to achieve the objectives that there will be adequate available funds for undertaking investments and acquisitions of property units in old building in site assembly ventures when it is opportune to do so. At the same time, the gearing of the Remaining Group is consciously being kept at a more conservative and lower level to counter the comparatively more volatile and higher risk in site assembly business. The Remaining Group will rely on its internal resources (including retained earnings and revenues) and supplemented by bank borrowings to fund its business operations. The Remaining Group has a compact core management team. All borrowings and property investment as well as other investment will only be committed with the knowledge and approval of the executive Directors. Hence, there will always be close and effective control on capital expenses and borrowings, and to ensure the position will accord with the aforesaid policies and practice.

Pledge of Assets

As at 31 December 2021, certain investment properties and property, plant and equipment of the Remaining Group with a total carrying value of approximately HK\$11,978,097,000 were pledged to secure banking facilities for the Remaining Group.

Contingent Liabilities

As at 31 December 2021, the Remaining Group provided guarantees amounted to approximately HK\$90,564,000 to banks with respect to mortgage loans procured by the purchasers of the Remaining 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.

Significant Investments Held

Save as those disclosed under the paragraph headed "FOR THE YEAR ENDED 31 DECEMBER 2021 — Segment Information" above, the Remaining Group did not have any significant investment during the financial year ended 31 December 2021.

Material Acquisition and Disposals of Subsidiaries, Associates and Joint Ventures

On 28 April 2021, Able Best International Investment Limited ("**Able Best**") (a wholly-owned subsidiary of the Remaining Group) entered into a share exchange agreement (the "**Share Exchange Agreement**") with *inter alia* Mr. Tang Shing Bor ("**the Deceased**"), pursuant to which (i) Able Best conditionally agreed to acquire the entire issued share capital of and the shareholder's loan owing by Mainway Holdings Limited ("**Mainway Holdings**") at the consideration of HK\$135 million, subject to adjustments and (ii) Able Best conditionally agreed to sell and transfer the entire issued share capital of and the shareholder's loan owing by Year Glory Limited ("**Year Glory**") to a company beneficially owned by the Deceased at the consideration of HK\$70 million, subject to adjustments. Mainway Holdings was the owner of a number of industrial property units located in Kwai Chung, New Territories, Hong Kong (the "**Kwai Chung Properties**") while Year Glory was the owner of a number of residential property units in Kowloon City, Kowloon, Hong Kong. The Deceased passed away before the agreed completion date of the Share Exchange Agreement.

On 24 August 2021, Able Best, the joint administrators of the estate of the Deceased (the "**Joint Administrators**") and others entered into a termination deed to terminate the Share Exchange Agreement. On the same date and in lieu of the Share Exchange Agreement, Master Green Limited (a wholly-owned subsidiary of the Remaining Group) entered into a property sale and purchase agreement with Mainway Holdings to acquire the Kwai Chung Properties from it at the consideration of HK\$130 million while Able Best and other parties entered into a share sale and purchase agreement to sell and transfer the entire issued share

capital of and the shareholder's loan owing by Year Glory at the consideration of HK\$70 million (the "2021 Disposal"), subject to adjustments, to entity nominated by the Joint Administrators.

Completion of the purchase of the Kwai Chung Properties and the 2021 Disposal took place on 28 September 2021 in accordance with the terms agreed among the parties.

Details of above transactions are disclosed in the Company's announcements dated 28 April 2021, 20 May 2021, 5 July 2021, 9 August 2021, 20 August 2021, 24 August 2021 and 28 September 2021.

In 2021, the Remaining Group entered into certain sales and purchases agreements to dispose the entire equity interests in certain other wholly-owned subsidiaries of the Remaining Group (collectively the "2021 Disposed Subsidiaries") to different independent third parties at an aggregate total consideration of HK\$110,905,000. The disposal of the 2021 Disposed Subsidiaries were completed during the year ended 31 December 2021.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Remaining Group for the year ended 31 December 2021.

Employees Remuneration

The Remaining Group employed an annual average of 263 people and 40 people in Hong Kong and Mainland China respectively for the year of 2021. 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 2021 were approximately HK\$128,540,000 and no share option expenses during the year of 2021.

Future Plans for Material Investments or Capital Assets

Save as disclosed herein, the Remaining Group did not have specific future plans for material investments or capital assets for the year ended 31 December 2022.

Prospect

The Remaining Group will closely monitor the local property market as well as global market conditions, and take measures appropriate for its long-term development. The Remaining Group is confident in its ability to drive business growth and maintain its competitiveness thanks to its carefully-planned commercial tenant portfolio, rapid development of the mini-storage business and the recently commenced pre-sales of units in iCITY, its latest industrial project in Kwai Chung. In the year ahead and beyond, the Remaining Group will strategize carefully before it act and turn challenges into opportunities in a prudent and pragmatic manner.

FOR THE YEAR ENDED 31 DECEMBER 2022

Segmental Information*Property Portfolio*

Under the negative impact of the pandemic and interest rate stress, the property market in Hong Kong remained bleak in 2022, as evidenced by low investor confidence and shrinking number of transactions completed. By the fourth quarter of 2022, however, business activities began to rebound as social distancing measures and inbound travel controls were lifted. With improvements in consumer sentiment and the overall business environment, the property leasing market picked up. Nevertheless, the rise in rents failed to catch up with sales, and overall property rental growth remained under pressure.

Property Assembly

Due to interest rate hikes and the lagging economy, property transactions in 2022 dropped significantly, which affected the pace of property assembly. Looking beyond 2022, the Remaining Group will continue to acquire older properties and invest in projects with high appreciation potential in order to regenerate Hong Kong's older districts. It will also elevate the quality of the buildings in these areas, improve their facilities and eliminate the structural risks of old buildings for the benefit of both new and existing owners. In addition, it will replenish its land reserves in a timely manner to capture business opportunities according to developments in the market.

Property Leasing

For the year ended 31 December 2022, the Remaining Group's property leasing business segment recognised revenue of approximately HK\$354,931,000, representing approximately 78% of the Remaining Group's total revenue for the year of 2022.

The Remaining Group's major investment properties, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, recorded a decrease in overall rental income. The Remaining Group's business performance was mainly affected by the retail shop business, which was dragged down by the pressure on rents and its rent support measures for tenants. However, since its diversified tenant portfolio is situated in prime locations across Hong Kong, the Remaining Group is confident that the government's tourism revival measures and the resumption of travel from the Mainland will contribute to the stability of its leasing operation.

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.

Soundwill Plaza II — Midtown

Soundwill Plaza II — Midtown is located in Causeway Bay at 1 Tang Lung Street in a local hotspot for food and beverage and leisure activities.

10 Knutsford Terrace

10 Knutsford Terrace is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, one of the most prominent tourist and leisure districts in Hong Kong.

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 Remaining Group's rental properties.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Remaining Group, offers secure and comfortable storage space to customers as well as professional management services. The storage facility is equipped with fire safety devices that comply with the latest regulatory guidelines. The existing branches of One Storage are strategically located in key residential and industrial areas all over Hong Kong. At the end of 2022, the number of branches had grown to 40, and brought an increase in the leasable area and earnings. In 2023, the branch coverage were increased progressively as additional shops were opened in suitable locations, allowing more customers to enjoy the high-quality, professional storage services the Remaining Group offered.

During the year of 2022, One Storage launched various promotional campaigns tailored to different service users and cooperated with several business partners to enhance brand awareness. By leveraging on its mature marketing strategies and back-end management system, the team was able to help the Remaining Group enhance its business synergy and revenue.

Property Development

For the year ended 31 December 2022, the Remaining Group's property development business segment recognised revenue of approximately HK\$78,611,000 in the Mainland China, representing approximately 17% of the Remaining Group's total revenue for the year of 2022.

Industrial Project — iCITY

iCITY is a new round-the-clock digital industrial landmark located at 111 Ta Chuen Ping Street, Kwai Chung. This 20-storey building provides 601 workshops in total, each with a gross floor area of about 335 square feet to 510 square feet on a typical floor. The estimated material date for this project is the fourth quarter of 2023.

Featuring advanced digital technology and a full curtain wall facade, iCITY is destined to become an iconic industrial project in the district.

Real Estate Business in the Mainland China

During the year of 2022, the property development and sales dropped significantly in Mainland China, as the debt crisis among property developers and large number of unfinished property projects gravely undermined market confidence. Following the principle that “houses are built to be inhabited, not for speculation”, the property market in Mainland China also focused on “project delivery guarantee”. In addition to the policies enacted by individual cities across the country, China’s financial authorities optimised lending policies to ensure rational and stable development of the property market. The central government also defined the real estate sector “as a pillar of the national economy” at the end of the year of 2022. The Remaining Group expect that the relaxation of anti-epidemic measures and improvements in the general economy will give a further boost to the property market.

Grand Capital (Shan Shui Xiang Ri Hao Ting), the Remaining Group’s project in Doumen District, Zhuhai, the Greater Bay Area, is currently in the stock clearance stage. At Lakeview Bay • VOGUE, an integrated project of the Remaining Group comprising villas and high-rise residences in Gaoyao District, Zhaoqing, all villas were sold out in 2022, with only a few high-rise residences left for sale. The sales performance was generally stable.

Building Management and Other Services

For the year ended 31 December 2022, the Remaining Group’s building management business segment recognised revenue of approximately HK\$23,631,000, representing approximately 5% of the Remaining Group’s total revenue for the year of 2022.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Remaining Group, specialises in high-quality property management and maintenance as well as facilities management services for A-Grade large-scale commercial buildings, industrial buildings and small- and medium-sized estates. Its highly experienced building management team which has achieved ISO9001, ISO14001 and ISO45001 certifications for the Remaining Group’s properties. To improve the quality of its property management, customer and maintenance services, the building management team conducts regular internal assessments.

The latest technology is also utilised to improve service quality. In addition to serving the Remaining Group's existing properties, the team has begun bidding for different property and facility management projects to expand its business portfolio.

An environmental management and energy saving team has also been established to reduce carbon emissions and ensure compliance with government environmental policies. In addition, this team is responsible for implementing energy-saving measures and setting appropriate strategies and annual targets for improving energy efficiency. In future, Goldwell Property Management will cooperate with the government to implement municipal solid waste charging and assist all stakeholders in reducing their waste at source as well as sorting and recycling waste. During the COVID-19 pandemic, the building management team provided regular training to staff on how to combat the spread of the virus. Measures implemented included applying photocatalyst coating technology in its buildings, providing contact-free equipment and air purifiers, and using internationally certified sanitizing spray. Robots were also introduced for delivering meals and packages. The team continued to improve its management services throughout the year of 2022 by regularly reviewing the needs of customers, tenants, business partners and employees in order to provide a safe, worry-free living and working environment.

Soundwill Club

Soundwill Club is a popular one-stop platform for distributing marketing and promotional materials among the major investment properties of the Remaining Group. During the year of 2022, the Remaining Group's marketing team used data analysis to provide customers with tailored products and services and maintain customer loyalty during the pandemic. Soundwill Club also offered additional services, such as restaurant reservation and greater accessibility for customers with special needs.

Results of Operations

During the year of 2022, the Remaining Group recorded a revenue of approximately HK\$457,173,000, representing a decrease of approximately HK\$89,072,000 as compared with the year of 2021. The decrease in revenue was mainly due to the decrease in rental income due to the rental waivers to its tenants in response to the adverse impact to their business brought by COVID-19 outbreak and the sales of properties sold.

Loss Attributable to Owners of the Company

During the year of 2022, the Remaining Group has recorded a loss attributable to owners of the Company of approximately HK\$475,049,000, a decrease in loss of 42% as compared with the year of 2021. The decrease in loss was mainly due to valuation loss on investment properties of HK\$664,274,000 was recorded as of 31 December 2022.

Net Assets

The net assets of the Remaining Group as at 31 December 2022 amounted to HK\$17,464,447,000. Net asset value per share as at 31 December 2022 is HK\$61.6.

Financial Resources and Liquidity

As at 31 December 2022, the Remaining Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to HK\$1,394,944,000. Total borrowings of the Remaining Group amounted to HK\$1,284,527,000 as at 31 December 2022.

As at 31 December 2022, the Remaining Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 7%.

The Remaining 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 of 2022, the Remaining 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.

The funding and treasury policies and practice that the Remaining Group adheres to are to achieve the objectives that there will be adequate available funds for undertaking investments and acquisitions of property units in old building in site assembly ventures when it is opportune to do so. At the same time, the gearing of the Remaining Group is consciously being kept at a more conservative and lower level to counter the comparatively more volatile and higher risk in site assembly business. The Remaining Group will rely on its internal resources (including retained earnings and revenues) and supplemented by bank borrowings to fund its business operations. The Remaining Group has a compact core management team. All borrowings and property investment as well as other investment will only be committed with the knowledge and approval of the executive Directors. Hence, there will always be close and effective control on capital expenses and borrowings, and to ensure the position will accord with the aforesaid policies and practice.

Pledge of Assets

As at 31 December 2022, certain investment properties and property, plant and equipment of the Remaining Group with a total carrying value of approximately HK\$11,843,248,000 were pledged to secure banking facilities for the Remaining Group.

Contingent Liabilities

As at 31 December 2022, the Remaining Group provided guarantees amounted to approximately HK\$51,166,000 to banks with respect to mortgage loans procured by the purchasers of the Remaining 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.

Significant Investments Held

Save as those disclosed under the sections headed "FOR THE YEAR ENDED 31 DECEMBER 2022" above, the Remaining Group did not have any significant investment during the financial year ended 31 December 2022.

Material Acquisition and Disposals of Subsidiaries, Associates and Joint Ventures

On 9 August 2022, Wonder Earning Limited, an indirect wholly-owned subsidiary of the Company (the "**Seller**"), Tang Lung Investment Properties Limited, an indirect wholly-owned subsidiary of the Remaining Group (the "**Seller Guarantor**"), United Endeavors Limited (the "**Purchaser**") and Tsui Yee, the ultimate beneficial owner of the Purchaser (the "**Purchaser Guarantor**"), entered into a sale and purchase agreement (the "**2022 SPA**"), pursuant to which the Seller has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and take assignment of, the entire issued share capital of Linking Smart Limited (the "**Target Company**") and the entire shareholders loan owed by the Target Company to the Seller at a consideration of HK\$3,208,815,000, subject to adjustments (the "**2022 Disposal**"). The Target Company is the indirect beneficial owner of property units in Haven Court.

In the special general meeting of the Company held on 20 October 2022, ordinary resolution was duly passed by the shareholders of the Company by way of poll to approve the 2022 Disposal.

Details of the 2022 Disposal are set out in the announcements of the Company dated 11 August 2022 and 20 October 2022, respectively and the circular of the Company dated 23 September 2022.

In 2022, the Remaining Group entered into certain sales and purchases agreements to dispose the entire equity interests in certain other wholly-owned subsidiaries of the Remaining Group (collectively the "**2022 Disposed Subsidiaries**") to different independent third parties at an aggregate total consideration of HK\$95,300,000. The disposal of the 2022 Disposed Subsidiaries were completed during the year ended 31 December 2022.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Remaining Group for the year ended 31 December 2022.

Employees Remuneration

The Remaining Group employed an annual average of 308 people and 36 people in Hong Kong and Mainland China respectively for the year. 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 2022 were approximately HK\$141,455,000 and no share option expenses during the year of 2022.

Future Plans for Material Investments or Capital Assets

Save as disclosed herein, the Remaining Group does not have specific future plans for material investments or capital assets for the year ended 31 December 2023.

Prospect

The Remaining Group will closely monitor the stability of the economic rebound in the post-pandemic era, and will use its business acumen and take pre-emptive action to capitalize on business opportunities. The Remaining Group will also explore different means of investments into other business and venture to broaden and increase returns of its available funds and resources. In addition to property related business, the Remaining Group may also invest into other business and venture should the opportunities arise.

FOR THE YEAR ENDED 31 DECEMBER 2023**Segmental Information*****Property Portfolio***

The economic recovery in 2022 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 Remaining 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 Remaining 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 Remaining Group's property leasing business segment recognised revenue of approximately HK\$330,373,000, representing approximately 88% of the Remaining Group's total revenue for the year of 2023.

The Remaining 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 Remaining Group's key investment properties in prime locations in Hong Kong will thus be the first to benefit. By identifying potential new tenants, the Remaining 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 of 2023, the Remaining 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 Remaining Group's rental properties.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Remaining 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 of 2023, 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 the Remaining Group's mature marketing strategies and back-end management system, the team helped the Remaining 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 Remaining Group's property development business segment recognised revenue of approximately HK\$22,729,000, representing approximately 6% of the Remaining Group's total revenue for the year of 2023.

Industrial Project — iCITY

iCITY is a brand new digital industrial landmark developed by the Remaining 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, each with 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 Business in the 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 Remaining 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 of 2023 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 Remaining Group’s building management business segment recognised revenue of approximately HK\$21,479,000, representing approximately 6% of the Remaining Group’s total revenue for the year of 2023.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Remaining 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 of 2023, 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 Remaining 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 Remaining 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 Remaining 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 of 2023, 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 the interactions with customers, the Remaining Group has been able to expand its customer base and increase customer loyalty. The number of new members in its programme rose by 15% during the year of 2023, and the total consumption amount of the members grew by 60% as compared with the year of 2022. 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 the property services of the Remaining Group, 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.

Results of Operations

During the year of 2023, the Remaining Group recorded a revenue of approximately HK\$374,582,000, representing a decrease of approximately HK\$82,592,000 as compared with the year of 2022. 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 of 2023, the Remaining Group has recorded a loss attributable to owners of the Company of approximately HK\$508,988,000, an increase in loss of 7% as compared with the year of 2022. The increase in loss was mainly due to valuation loss on investment properties of HK\$1,077,672,000 was recorded as of 31 December 2023.

Net Assets

The net assets of the Remaining Group as at 31 December 2023 amounted to HK\$16,780,407,000. Net asset value per share as at 31 December 2023 is HK\$59.2.

Financial Resources and Liquidity

As at 31 December 2023, the Remaining Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to HK\$1,138,306,000. Total borrowings of the Remaining Group amounted to HK\$1,096,799,000 as at 31 December 2023.

As at 31 December 2023, the Remaining Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 7%.

The Remaining 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 of 2023, the Remaining 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.

The funding and treasury policies and practice that the Remaining Group adheres to are to achieve the objectives that there will be adequate available funds for undertaking investments and acquisitions of property units in old building in site assembly ventures when it is opportune to do so. At the same time, the gearing of the Remaining Group is consciously being kept at a more conservative and lower level to counter the comparatively more volatile and higher risk in site assembly business. The Remaining Group will rely on its internal resources (including retained earnings and revenues) and supplemented by bank borrowings to fund its business operations. The Remaining Group has a compact core management team. All borrowings and property investment as well as other investment will only be committed with the knowledge and approval of the executive Directors. Hence, there will always be close and effective control on capital expenses and borrowings, and to ensure the position will accord with the aforesaid policies and practice.

Pledge of Assets

As at 31 December 2023, certain investment properties and property, plant and equipment of the Remaining Group with a total carrying value of approximately HK\$10,240,245,000 were pledged to secure banking facilities for the Remaining Group.

Contingent Liabilities

As at 31 December 2023, the Remaining Group provided guarantees amounted to approximately HK\$40,220,000 to banks with respect to mortgage loans procured by the purchasers of the Remaining 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.

Significant Investments Held

Save as those disclosed under the sections headed "FOR THE YEAR ENDED 31 DECEMBER 2023" above, the Remaining 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 Remaining 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 Remaining 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.

As disclosed in the paragraphs headed “FOR THE YEAR ENDED 31 DECEMBER 2022 — Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures” in this appendix, the Remaining Group entered into the 2022 SPA on 9 August 2022 in relation to the 2022 Disposal.

On 9 August 2023, further deposit in the sum of HK\$320,881,500 (the “**Further Deposit**”) was due and payable to the Remaining Group. The Purchaser, nonetheless, failed to pay the Further Deposit.

On 19 January 2023, the parties to the 2022 SPA entered into a supplemental agreement (the “**Supplemental Agreement**”), whereby (i) the parties agreed to extend the date of the Purchaser’s payment of the Further Deposit from 9 February 2023 to 9 August 2023; and (ii) the Purchaser agreed to pay a non-refundable amount of HK\$11,200,083 (being the interest agreed to be payable on the Further Deposit for the period from 9 February 2023 to 9 August 2023 (both day inclusive)) to the Seller on or before 8 February 2023, details of which are set out in the announcements of the Company dated 19 January 2023 and 10 August 2023, respectively.

On 13 September 2023, the Remaining Group further entered into a settlement agreement (the “**Settlement Agreement**”) with the Purchaser and the Purchaser Guarantor. A HK\$32,000,000 non-refundable settlement sum (the “**Settlement Sum**”) was paid to and received by the Remaining Group and the 2022 SPA was terminated pursuant to the terms of the Settlement Agreement. Details of the above are set out in the announcement of the Company dated 13 September 2023.

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

Employees Remuneration

The Remaining Group employed an annual average of 297 people and 33 people in Hong Kong and Mainland China respectively for the year of 2023. 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 and no share option expenses during the year of 2023.

Future Plans for Material Investments or Capital Assets

Save as disclosed herein, the Remaining Group does not have specific future plans for material investments or capital assets for the year ending 31 December 2024.

Prospect

The Remaining Group will continue promote its business development in a prudent and pragmatic manner, maintain its competitiveness, and make forward-looking decisions, to enhance its corporate value, diversify its businesses and create rewarding returns for investors and stakeholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in the Company

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares interested	Approximate percentage of the Company's total issued Shares ^(Note 4)
Foo Kam Chu Grace	Beneficial owner and Beneficiary of a trust	212,401,630 <i>(Note 1)</i>	74.97%
Chan Wai Ling	Beneficiary of a trust	212,305,028 <i>(Note 2)</i>	74.94%
Chan Hing Tat	Beneficiary of a trust	212,305,028 <i>(Note 3)</i>	74.94%

Note 1: By virtue of the SFO, Madam Foo Kam Chu Grace (“**Madam Foo**”) was deemed to be interested in 212,401,630 Shares in aggregate: (i) 96,602 Shares was beneficially owned by Madam Foo; (ii) 209,919,028 Shares was held by Ko Bee Limited, the entire issued share capital of which was held by a discretionary trust (the “**Trust**”). Madam Foo is a beneficiary of the Trust; and (iii) 2,386,000 Shares was held by Full Match Limited, a company wholly-owned by Ko Bee Limited. Both Ko Bee Limited and Full Match Limited are incorporated in the British Virgin Islands with limited liability.

Note 2: By virtue of the SFO, Ms. Chan Wai Ling (“**Ms. Chan**”) was deemed to be interested in 212,305,028 Shares. Ms. Chan is a beneficiary of the Trust.

Note 3: By virtue of the SFO, Mr. Chan Hing Tat (“**Mr. Chan**”) was deemed to be interested in 212,305,028 Shares. Mr. Chan is a beneficiary of the Trust.

Note 4: These percentages have been compiled based on the total number of issued Shares (i.e. 283,308,635 Shares) of the Company at the Latest Practicable Date.

(b) Directors’ interests in associated corporations

Name of Director	Name of associated corporations	Capacity	Number and class of shares held	Approximate percentage of the total issued shares
Foo Kam Chu Grace	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% (Note 5)
Chan Wai Ling	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% (Note 5)
Chan Hing Tat	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% (Note 5)
Foo Kam Chu Grace	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% (Note 5)
Chan Wai Ling	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% (Note 5)
Chan Hing Tat	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% (Note 5)

Note 5: The entire issued share capital of Ko Bee Limited is held by the Trust. The entire issued share capital of Full Match Limited is held by Ko Bee Limited. Madam Foo, Ms. Chan and Mr. Chan are the beneficiaries of the Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of companies which had such discloseable interest or short position	Position with such companies
Foo Kam Chu Grace	Ko Bee Limited	Director
	Full Match Limited	Director
Chan Hing Tat	Ko Bee Limited	Director

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 December 2023 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group as a whole.

5. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group was not engaged in any litigation or claims of material importance, and so far as the Directors are aware, no litigation or claims of material importance is pending or threatened against the Group.

7. MATERIAL CONTRACTS

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group which are or may be material:

- (a) the 2022 SPA dated 9 August 2022 and entered into among the Seller as seller, the Purchaser as purchaser, the Seller Guarantor as seller guarantor and the Purchaser Guarantor as purchaser guarantor in relation to the disposal of the entire issued share capital of the Target Company and the assignment of the entire shareholders loan owing by the Target Company to the Seller (i.e. the Disposal), at a consideration of HK\$3,208,815,000 (subject to adjustments), details of which are set out in the announcements of the Company dated 11 August 2022 and 20 October 2022, respectively, and the circular of the Company dated 22 September 2022;
- (b) the Supplemental Agreement dated 19 January 2023 in relation to the 2022 SPA entered into among the Seller, the Purchaser, the Seller Guarantor and the Purchaser Guarantor, whereby, among other things, (i) the parties agreed to extend the date of the Purchaser's payment of the Further Deposit under the 2022 SPA in the amount of HK\$320,881,500 from 9 February 2023 to 9 August 2023; and (ii) the Purchaser agreed to pay a non-refundable amount of HK\$11,200,083 (being the interest agreed to be payable on the Further Deposit for the period from 9 February 2023 to 9 August 2023 (both day inclusive)) to the Seller on or before 8 February 2023, details of which are set out in the announcements of the Company dated 19 January 2023 and 10 August 2023, respectively; and
- (c) the Settlement Agreement dated 13 September 2023 in relation to the 2022 SPA and the Supplemental Agreement entered into among the Seller, the Seller Guarantor, the Purchaser and the Purchaser Guarantor, pursuant to which, 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 2022 SPA shall be forfeited by the Seller; (ii) in addition to the forfeiture of the initial deposit, the Purchaser shall pay to the Group the non-refundable Settlement Sum in the amount of HK\$32,000,000 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 2022 SPA shall be terminated and shall cease to have any effect, details of which are set out in the announcement of the Company dated 13 September 2023.

8. EXPERTS AND CONSENTS

The qualification of the experts who have given their opinions in this circular is as follows:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
Vigers Appraisal And Consulting Limited	Independent Professional Valuer

As at the Latest Practicable Date, each of the experts referred to above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

9. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 21st Floor, Soundwill Plaza, No.38 Russell Street, Causeway Bay, Hong Kong.
- (c) The company secretary of the Company is Mr. Tse Wai Hang. Mr. Tse graduated from the University of Hong Kong with a bachelor's degree in laws. He is a qualified solicitor in Hong Kong.
- (d) The share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited, 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company's website (www.soundwill.com.hk) and the Stock Exchange's website (www.hkexnews.hk) up to and including the date which is 14 days from the date of this circular:

- (a) the report from Deloitte Touche Tohmatsu on the unaudited pro forma financial information, the text of which is set out in Appendix III to this circular;
- (b) the property valuation report prepared by Vigers as set out in Appendix IV to this circular; and
- (c) the written consents referred to in the paragraph headed "Experts and Consents" in this Appendix.

NOTICE OF SPECIAL GENERAL MEETING



SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Soundwill Holdings Limited (the “Company”) will be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Friday, 14 June 2024 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Possible Very Substantial Disposal (as defined in the circular of the Company dated 24 May 2024 of which this notice forms part (the “Circular”)) be and are hereby confirmed, authorized and approved;
- (b) the directors of the Company (the “Directors”) be and are hereby authorized to effect the Possible Very Substantial Disposal (as defined in the Circular) at any public auction of the Lot (as defined in the Circular), including but not limited to, the Further Auction (as defined in the Circular), to be held by order of the Lands Tribunal, at or above the reserve price determined by the Lands Tribunal, including but not limited to, the Revised Reserve Price (as defined in the Circular) during the period of twelve (12) months from the date of passing this resolution;
- (c) any one director of the Company (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is hereby authorized for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts, matters or things as they may in their absolute discretion consider necessary, desirable or expedient for the purposes of or in connection with implementing, completing and giving effect to the Possible Very Substantial Disposal (as defined

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

in the Circular) as they may in their absolute discretion consider necessary or desirable with full power to authorize any other person to do so in the name of and as the act of the Company or its subsidiary, during the period of twelve (12) months from the date of passing this resolution; and

- (d) any action(s) taken by any Directors to give effect to and in connection with the Possible Very Substantial Disposal (as defined in the Circular) prior to the date of this resolution be and is(are) hereby approved, confirmed, ratified and adopted in all respects as fully as if such action(s) has been presented to for approval, and approved by, the shareholders of the Company prior to such actions(s) being taken.”

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

Hong Kong, 24 May 2024

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of business
in Hong Kong:*
21st Floor, Soundwill Plaza
No.38 Russell Street
Causeway Bay
Hong Kong

Notes:

1. A form of proxy for use at the SGM is enclosed.
2. Any shareholder (the “**Shareholder(s)**”) entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s principal place of business in Hong Kong at 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF SPECIAL GENERAL MEETING

4. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining Shareholders entitled to attend and vote at the SGM will be the close of business on Friday, 14 June 2024. In order to be eligible to attend and vote at the SGM, 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, 7 June 2024.
5. Where there are joint holders of any shares of the Company, any one of such holders may vote at the SGM, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders be present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of member of the Company in respect of the joint holding.
6. The above resolution will be voted by way of a poll at the SGM.
7. As at the date of this notice, 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.