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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant and other professional adviser.

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 to the transferee or to the bank, stockbroker 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)

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
AND
ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an Annual General Meeting of Soundwill Holdings Limited to be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Thursday, 23 May 2024 at 2:30 p.m. is set out on pages 41 to 45 of this circular. A form of proxy for use at the Annual General Meeting is enclosed herein. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.soundwill.com.hk).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at 21/F, 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 Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

* *For identification purpose only*

18 April 2024

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DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme becomes unconditional
“Annual General Meeting”	an annual general meeting of the Company to be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Thursday, 23 May 2024 at 2:30 p.m. or any adjournment thereof, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 41 to 45 of this circular
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-Laws”	the bye-laws of the Company
“Company”	Soundwill Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“core connection person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any person belonging to the following classes of participants: <ul style="list-style-type: none">(i) any Employee Participant;(ii) any Service Provider; and(iii) any Related Entity Participant
“Employee Participant(s)”	any director (including independent non-executive Director) and employee (whether full time or part time) of the Company or the Group who in the sole discretion of the Board has contributed or will contribute to the Group

DEFINITIONS

“Exercise Period”	a period to be determined and notified by the Board to the Grantee during which the Option may be exercised and in any event shall not be more than 10 years commencing on the Offer Date and expiring on the last day of such ten-year period subject to the provisions for early termination in the Scheme
“Exercise Price”	the price at which each Share subject to an Option may be subscribed on the exercise of that Option, subject to the relevant provisions in the Scheme
“Grantee(s)”	any Eligible Participant who accepts an Offer in accordance with the terms of the Scheme or (where the context so permits) any person entitled to exercise any Option in consequence of the death of the original Grantee
“Group”	the Company, its subsidiaries, associated companies and jointly controlled entities from time to time
“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
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to allot, issue and deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5B of the notice of the Annual General Meeting as set out on pages 41 to 45 of this circular
“Latest Practicable Date”	10 April 2024, being the latest practicable date due prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules
“Offer”	an offer of the grant of an Option made in accordance with the terms of the Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant, which must be a Business Day
“Option”	a right to subscribe for Shares pursuant to the Scheme

DEFINITIONS

“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant”	any director and employee of the Related Entity
“Scheme Mandate Limit”	has the same meaning as defined in paragraph 4.1 of Appendix III to this circular
“Service Provider(s)”	<p>person who, or entity which, provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business of the Group, and the grant of Options to whom is in the interests of the long-term growth of the Group as determined by the Board, including:</p> <ul style="list-style-type: none">(i) advisory and/or consultancy service providers which provide advisory services and/or consultancy services to the Group after stepping down from an employment or director position with the Group;(ii) contractors which the Group engages for its day-to-day operation; and(iii) advisers, consultants and agents which provide advisory and/or consultancy services to the Group as independent advisers, consultants or agents where the continuity and frequency of their services are akin to those of employees; <p>but, for the avoidance of doubt, excluding (a) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (b) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity</p>
“Service Provider Sublimit”	has the same meaning as defined in paragraph 4.2 of Appendix III to this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company

DEFINITIONS

“Share Option Scheme” or “Scheme”	the share option scheme which is proposed to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5A of the notice of the Annual General Meeting as set out on pages 41 to 45 of this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(s)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Future Commission in Hong Kong, as amended from time to time
“%”	per cent.



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:
21/F, Soundwill Plaza
No. 38 Russell Street
Causeway Bay
Hong Kong

18 April 2024

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AND
RE-ELECTION OF THE RETIRING DIRECTORS
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ADOPTION OF SHARE OPTION SCHEME
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LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting relating to (i) the approval of the granting of the Share Repurchase Mandate and the Issuance Mandate to the Directors; (ii) the re-election of the retiring Directors; and (iii) the adoption of the share option scheme.

2. GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 25 May 2023, the general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares. Such mandates will lapse at the conclusion of the Annual General Meeting.

In order to give the Company the flexibility to repurchase Shares and to issue new Shares if and when appropriate, the ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors as follows:

- (a) to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing such ordinary resolution at the Annual General Meeting;
- (b) to allot, issue and deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing such ordinary resolution at the Annual General Meeting; and
- (c) to extend the Issuance Mandate by adding the aggregate number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate.

The Share Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in ordinary resolutions nos. 5A and 5B set out in the notice of the Annual General Meeting.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$28,330,863 comprising 283,308,635 Shares of HK\$0.1 each and subject to the passing of the ordinary resolution to approve the Issuance Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company would be allowed under the Issuance Mandate to issue up to a maximum of 56,661,727 new Shares representing 20% of the total number of issued Shares as at the date of passing such ordinary resolution.

An explanatory statement as required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate and to issue any new Shares pursuant to the Issuance Mandate.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-Law 86(2), Mr. YOUNG Chun Man, Kenneth who was appointed on 16 June 2023, shall hold office only until the forthcoming Annual General Meeting.

Pursuant to Bye-Law 87(1), Mr. CHAN Hing Tat and Mr. TSE Wai Hang, shall retire at the Annual General Meeting. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

In accordance with the nomination policy of the Company and the objective criteria (including without limitation, relevant skills, experience, professional expertise and qualification, breadth of relevant knowledge, integrity and reputation, willingness to commit and ability to devote sufficient time and to assume the fiduciary duties and responsibilities) with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, the nomination committee of the Company (the “**Nomination Committee**”) has reviewed the re-election of the Directors through:

- (a) evaluating the perspectives, skills, experience, performance and contribution of the retiring Directors that can bring to the Board; and
- (b) assessing the independence of the independent non-executive directors of the Company to be re-elected and considered whether they remained independent and suitable to continue to act in such roles.

After due evaluation and assessment, the Nomination Committee is of the opinion that:

- i. all the retiring Directors contribute effectively to the operation of the Board;
- ii. the retiring independent non-executive director of the Company fulfills the requirements of independent non-executive directors of the Company under Rule 3.13 of the Listing Rules; and
- iii. are the persons of integrity and have independent personality and judgement.

Accordingly, the Nomination Committee has recommended to the Board, and the Board has reviewed and resolved, to propose to re-elect each of the retiring Directors at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED ADOPTION OF SHARE OPTION SCHEME

The share option scheme adopted by the Company on 19 May 2011 has expired on 18 May 2021. As at the Latest Practicable Date, the Company does not have any other share option scheme nor share award scheme. The Board is pleased to propose the adoption of the Scheme by the Company. Pursuant to Rule 17.02(1)(a) of the Listing Rules, the adoption of the Scheme is subject to, *inter alia*, the approval of the Shareholders at the Annual General Meeting.

The purpose of the Scheme is to provide incentive and/or reward to Eligible Participants for their contributions or potential contributions to the Group. The Scheme will enable the Group to recruit, incentivise and retain high-calibre staff, and it could also attract more categories of people by giving incentives to them to contribute to the Group's growth and development. Furthermore, the Board considers that the Eligible Participants will share the same interests and objectives with the Group upon their exercise of the Options so that full-time or part-time employees, directors, members of the management, advisers and consultants of the Group are given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group and the Shareholders as a whole.

Conditions of the Share Option Scheme

The Scheme is conditional on:

- (i) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to (a) approve and adopt the Scheme, (b) authorise the Board to grant Options under the Scheme, and (c) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the Scheme; and
- (ii) the Stock Exchange granting approval to the listing of, and permission to deal in, such number of Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions herein, such number being not less than that of the Scheme Mandate Limit.

As at the Latest Practicable Date, none of the aforesaid conditions of the Scheme had been fulfilled. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Options granted under the Scheme. At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the Scheme.

Explanation of the terms of the Share Option Scheme

A summary of the principal terms of the Scheme is set out in Appendix III to this circular.

LETTER FROM THE BOARD

Eligible Participants

Eligible Participants include any Employee Participant, Service Provider and Related Entity Participant.

The Directors are of the view that the adoption of the Scheme aligns with the market practice of providing incentives to Employee Participants to work towards enhancing the enterprise value and achieving the long-term objectives for the benefit of the Group as a whole. The Eligible Participants include independent non-executive Directors. Having considered that (i) equity-based remuneration is an important means of ensuring alignment between the interests of the Shareholders and the Board members, including independent non-executive Directors; (ii) it is common to include independent non-executive Directors as eligible persons in share schemes; and (iii) independent non-executive Directors may provide important contributions to the Group's development and business, for example by helping it to maintain a sound corporate governance framework and internal control system, the Board believes the inclusion of independent non-executive Directors as Eligible Participants and the flexibility to grant Options to independent non-executive Directors in addition to or in lieu of cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talent and is in line with the purpose of the Scheme.

While the Eligible Participants include independent non-executive Directors, the Company is of the view that the independence and impartiality of the independent non-executive Directors would not be affected by any possible grant of the Options since (a) the independent non-executive Directors must continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (b) as set out in the paragraph headed "9. Grant of Options to connected persons" in Appendix III to this circular, certain grants to them will require approval by the independent Shareholders; and (c) before making any grants to any independent non-executive Director, the Board will always be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors. As at the Latest Practicable Date, the Company has no plan to grant Options to any independent non-executive Director or any of their respective associates.

The Service Providers eligible for granting of Options will include person who, or entity which, provides services to the Group on a continuing and recurring basis in the ordinary and usual course of business of the Group, and the grant of Options to whom is in the interests of the long-term growth of the Group as determined by the Board. The Service Providers include (i) advisory and/or consultancy service providers which provide advisory and/or consultancy services to the Group after stepping down from an employment or director position with the Group; (ii) contractors which the Group engages for its day-to-day operation; and (iii) advisers, consultants and agents which provides advisory and/or consultancy services to the Group as independent advisers, consultants or agents where the continuity and frequency of their services are akin to those of employees. The Group is principally engaged in property development, property leasing, provision of building management and other services, properties assembly and sales of properties

LETTER FROM THE BOARD

business. The Group has been engaging the Service Providers for the provision of advisory and/or consultancy services and the day-to-day operation in the Group's principal business. To support the Group's business activities or on other areas that are desirable and necessary from a commercial perspective and to maintain or enhance the Group's competitiveness, the Group may engage independent advisers, consultants or agents to provide advisory and/or consultancy services relating to the business strategies of the Group's principal business activities. They would play significant roles in the Group's business development by contributing their specialised skills and knowledge in the field such as business advisory, research and development, sales and marketing, technology upgrade, strategic/commercial planning on corporate image, investor relations of the Company and other areas in relation to the Group's business operation and their performances will contribute to the operating performance and financial results of the Group.

Such advisers, consultants or agents may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to cooperate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. The grant of the Options to these Service Providers may fill the gap and to foster the relationship with them as well as allowing the Company to pay such external parties a consideration comprising service fee and share-based consideration to incentivise such party with the long term value to be brought by the growth of the Company's business and market capitalisation.

In particular, the Board is of the view that these Service Providers possess industry-specific knowledge or expertise or valuable experience or deep understanding or insight in the business, financial or commercial areas of the Group and their continuing and recurring engagement and cooperation with the Group would benefit the Group on a frequent and successive basis in its ordinary and usual course of business because (i) the longer and more frequent the cooperation with the Service Providers, more time and costs could be saved for a smoother work relation, thereby enhancing operating efficiency; and (ii) the aligned interests of the Service Providers and the Group would result in more incentive and productivity for the Service Providers to perform and carry out their tasks for the Group's interest.

The Related Entity Participants eligible for granting of Options will include directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

The eligibility of each of the Eligible Participants shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis, details of which are set out in the paragraph headed "2. Who may join and the basis of determining eligibility of eligible participants" in Appendix III to this circular. In determining the eligibility of

LETTER FROM THE BOARD

Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group.

Set out below is the detailed basis of determining the eligibility of each category of the Service Providers:

Category of Service Providers	Support, assistance and contributions to the Group	Criteria for determining eligibility under the Scheme
Advisory and/or consultancy service providers	Service Providers under this category are former employees or directors of the Group, who provides advisory and/or consultancy services to the Group after stepping down from an employment or director position with the Group. They possess the necessary expertise, professional qualifications and/or industry experience which can bring positive impacts or strategic benefits to the Group's business growth and development in light of the Group's business plan from time to time. The Group engages them to provide advisory and/or consultancy services to the Group on areas relating to the business strategies of the Group's principal business activities.	<p>The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such advisory and/or consultancy service providers, including but not limited to:</p> <ul style="list-style-type: none">(i) the individual performance of such advisory and/or consultancy service provider;(ii) the former employment and/or director position of the advisory and/or consultancy service provider with the Group and the past contribution of the advisory and/or consultancy service provider;(iii) the knowledge, expertise, experience and network of such advisory and/or consultancy service provider in the relevant industry;(iv) the frequency of collaboration and length of business relationship with the Group;(v) the background, reputation and track record of such advisory and/or consultancy service provider;(vi) the replacement cost of such advisory and/or consultancy service provider;(vii) the potential and/or actual contribution of such advisory and/or consultancy service provider to the business affairs of the Group; and(viii) the Group's future business plans for any further collaboration with such advisory and/or consultancy service provider, and the long-term support that the Group may receive accordingly.

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Category of Service Providers	Support, assistance and contributions to the Group	Criteria for determining eligibility under the Scheme
Contractors	Service Providers under this category are third-party contractors which the Group engages for its day-to-day operation in the business of property development and building management (including property repairs and maintenance). Such contractors include main contractors or specialist contractors of the property development projects of the Group and person/entity providing technical support to the Group to render day-to-day property management and operation services.	<p>The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such contractors, including but not limited to:</p> <ul style="list-style-type: none"><li data-bbox="954 459 1414 549">(i) the nature, uniqueness, materiality and quality of the services provided to the Group;<li data-bbox="954 587 1414 644">(ii) the frequency of collaboration and length of business relationship with the Group;<li data-bbox="954 683 1414 740">(iii) the background, reputation and track record of such contractors;<li data-bbox="954 778 1414 800">(iv) the replacement cost of such contractors;<li data-bbox="954 838 1414 1027">(v) the potential and/or actual contribution to the business affairs of the Group (including an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied by such contractors); and<li data-bbox="954 1066 1414 1189">(vi) the Group's future business plans for any further collaboration with such contractors, and the long-term support that the Group may receive accordingly.

LETTER FROM THE BOARD

Category of Service Providers	Support, assistance and contributions to the Group	Criteria for determining eligibility under the Scheme
Advisers, consultants and agents	<p>Service Providers under this category are mainly independent advisers, consultants and agents who provide advisory and/or consultancy services to the Group on areas relating to the business strategies of the Group's principal business activities, or on the research and development and strategic planning of the Group's projects.</p> <p>The Group may seek advisory and/or consultancy services from advisers, consultants and/or agents with the expertise, professional qualifications and industry experience which can bring positive impacts or strategic benefits to the Group's business growth and development in light of the Group's business plan from time to time.</p>	<p>The Board will, on a case-by-case basis, take into account both qualitative and quantitative factors when determining the eligibility of such advisers, consultants and/or agents, including but not limited to:</p> <ul style="list-style-type: none">(i) the individual performance of such advisers, consultants and/or agents;(ii) the knowledge, expertise, experience and network of such advisers, consultants and/or agents in the relevant industry;(iii) the frequency of collaboration and length of business relationship with the Group;(iv) the background, reputation and track record of such advisers, consultants and/or agents;(v) the replacement cost of such advisers, consultants and/or agents;(vi) the potential and/or actual contribution to the business affairs of the Group (including an increase in revenue or profits or a reduction in costs attributable to or brought by the services supplied by such advisers, consultants and/or agents); and(vii) the Group's future business plans for any further collaboration with such advisers, consultants and/or agents, and the long-term support that the Group may receive accordingly.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board or the committee of the Board (as the case may be) shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the Scheme and the objectives in engaging the Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board (as the case may be) shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) are of the view that (i) the proposed categories of the Service Providers and Related Entity Participants are in line with the Company's business needs and the industry norm of providing equity-based payment to stakeholders; (ii) apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and co-operation of non-employees of the Group (including the Service Providers and Related Entity Participants) who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future; (iii) it is beneficial to include Service Providers and Related Entity Participants as Eligible Participants since a sustainable and stable relationship with them is essential to the business development of the Group; and (iv) the criteria for the selection of Eligible Participants and the terms of the grants align with the purpose of the Scheme. Accordingly, the Directors (including the independent non-executive Directors) consider that it is in the interests of the Company and the Shareholders as a whole to adopt the Scheme, which have been prepared in compliance with the Listing Rules currently in force as at the Latest Practicable Date.

Vesting period

The vesting period for Options under the Scheme shall not be less than 12 months in general. To ensure the practicability in fully attaining the purpose of the Scheme, for Employee Participants, the Board and the remuneration committee of the Board are of the view that (i) there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Grantee, such as those set out in paragraph 6.1 of Appendix III to this circular; (ii) there is a need for the Group to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (iii) the Group should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions depending on individual circumstances. Hence, the Board and the remuneration committee of the Board are of the view that the shorter vesting period prescribed in paragraph 6.1 of Appendix III to this circular is in line with the market practice and is appropriate and aligns with the purpose of the Scheme.

Performance targets and clawback mechanism

Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of the Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant. However, the Scheme gives the Board sole and absolute discretion to impose such conditions as it think fit on the Options where appropriate when making an Offer to an Eligible Participant, provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme or the relevant requirements under applicable laws or the Listing Rules. The performance target(s) may include, among others, financial targets and management targets

LETTER FROM THE BOARD

which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional department, projects and/or geographical area managed by the Grantees.

If performance targets are imposed on an Eligible Participant, the Board will utilise its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Options on a case-by-case basis and may assess such performance targets against key performance indicators for the Group, its business units, projects or individuals, which may include a combination of factors such as cash flow; earnings per Share; profits; return on assets; return on equity; sales; revenue; and such other goals as the Board may determine from time to time. The Board shall have absolute discretion to assess and determine whether the performance targets of an Eligible Participant are satisfied.

If a clawback mechanism is imposed on an Eligible Participant, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism and whether there are any tax implications etc.

The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions and is not practicable to expressly set out a generic set of performance targets in the Scheme as each Grantee plays different roles and contributes in different ways to the Group. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant and the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the Scheme.

Exercise Price

The Exercise Price shall be determined by the Board at its discretion and notified to an Eligible Participant and shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (iii) the nominal value of the Share on the Offer Date.

LETTER FROM THE BOARD

The basis of determination of the Exercise Price is in accordance with the Listing Rules and the Directors consider that such basis for determining the Exercise Price will serve to preserve the value of the Company while encouraging the Grantees to acquire proprietary interests in the Company and serving the purpose of the Scheme.

Scheme Mandate Limit and Service Provider Sublimit

As at the Latest Practicable Date, there was a total of 283,308,635 Shares in issue. Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other share scheme(s) of the Company will be 28,330,863 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

Within the Scheme Mandate Limit, the maximum number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Scheme and any other share scheme(s) of the Company must not in aggregate exceed 1% of the total number of Shares in issue on the Adoption Date i.e. 2,833,086 Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Adoption Date). The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of the Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, the extent of the use of Service Providers in the Group's business, and the fact that the Company expects that a majority of the Options will be granted to Employee Participants and Related Entity Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants and Related Entity Participants. Given the above, the Board has made reference to the 1% Individual Limit (as defined in Appendix III) and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings.

Considering the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Group's business development, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Options to the Service Providers to align with the purpose of the Scheme and the relatively low threshold sublimit of 1% can provide adequate safeguard against excessive dilution of existing Shareholders' holdings. The Service Provider Sublimit is subject to separate approval of the Shareholders at the Annual General Meeting.

Others

The Company does not at present intend to appoint a trustee under the Scheme. None of the Directors is and will be a trustee of the Scheme nor has a direct or indirect interest in the trustees of the Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company did not have any plan to grant any Options and had not identified any Eligible Participant to whom it would make an offer to take up the Option.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Scheme.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the proposed adoption of the Scheme and no Shareholder is required to abstain from voting at the Annual General Meeting for approving the Scheme.

A copy of the rules of the Scheme will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.soundwill.com.hk) for display for a period of not less than 14 days before the Annual General Meeting and will be made available for inspection at the Annual General Meeting.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 41 to 45 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.soundwill.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong at 21/F, 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 Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

6. RESPONSIBILITY OF THE DIRECTORS

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.

LETTER FROM THE BOARD

7. RECOMMENDATION

The Directors consider that all resolutions to be proposed at the Annual General Meeting are all in the best interests of the Company and the Group as well as the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
SOUNDWILL HOLDINGS LIMITED
CHAN Hing Tat
Chairman

The following is an explanatory statement required by the Listing Rules, to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 283,308,635 Shares. Subject to the passing of the ordinary resolution to approve the granting of the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a maximum of 28,330,863 Shares, representing 10% of the total number of issued Shares as at the date of the Annual General Meeting.

2. REASON FOR REPURCHASES

The Directors believe that the granting of Share Repurchase Mandate is in the best interest of the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-Laws, the laws of Bermuda and the Listing Rules.

The laws of Bermuda provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company which would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for the purpose. The amount of premium payable on the repurchases, if any, may only be paid out of the funds of the Company which would otherwise be available for distribution by way of dividend or out of the share premium account of the Company.

4. IMPACT OF SHARE REPURCHASES

There might be material adverse impact on the working capital and on the gearing position of the Company (as compared with the financial position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2023) in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors have no current intention to exercise the Share Repurchase Mandate to an extent as would, having regard to the relevant circumstances, have a material adverse impact on the working capital or gearing position of the Company.

5. MARKET PRICE OF SHARES

The highest and lowest market prices per Share at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Share Price (per share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	6.780	6.590
May	6.980	6.440
June	6.900	6.500
July	6.690	5.950
August	6.170	5.690
September	6.290	5.670
October	5.950	5.700
November	5.820	5.400
December	6.290	5.600
2024		
January	7.350	6.220
February	6.700	6.210
March	7.100	6.130
April (up to the Latest Practicable Date)	7.000	6.800

6. GENERAL

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Share Repurchase Mandate in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Company confirms that neither the explanatory statement nor the proposed Share repurchase has any unusual features.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the interest of such Shareholder(s), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge of the Company, Century Pine (PTC) Limited (the "Trustee") was interested in 212,305,028 Shares, representing approximately 74.94% of the total number of Shares in issue. The Trustee holds the said 212,305,028 Shares indirectly as trustee for a discretionary trust, the discretionary object of which includes Madam FOO Kam Chu Grace, executive director of the Company, and her family members (including Ms. CHAN Wai Ling, Deputy Chairman and executive director of the Company and Mr. CHAN Hing Tat, Chairman and executive director of the Company). In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the shareholding interest of the Trustee in the Company will be increased to approximately 83.26% of the total number of Shares in issue.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company and the Group (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

Mr. CHAN Hing Tat (“**Mr. Chan**”), aged 43, is Chairman and executive director of the Company and a director of certain subsidiaries of the Group. He joined the Group in 2004 and is mainly responsible for the Group’s business development. He graduated from the Boston University, USA with a bachelor degree in psychology. Before joining the Group, he was engaged in his own IT business. He is the son of Madam Foo Kam Chu Grace (“**Madam Foo**”), executive director of the Company and the brother of Ms. Chan Wai Ling (“**Ms. Chan**”), Deputy Chairman and executive director of the Company.

As at the Latest Practicable Date, to the best knowledge of the Company, Century Pine (PTC) Limited (the “**Trustee**”) was interested in 212,305,028 Shares, representing approximately 74.94% of the total number of Shares in issue. The Trustee holds the said 212,305,028 Shares indirectly as trustee for a discretionary trust, the discretionary object of which includes Madam Foo, and her family members (including Ms. Chan and Mr. Chan). Hence, as at the Latest Practicable Date, Mr. Chan was deemed to have interest in the said 212,305,028 Shares under Part XV of the SFO, representing approximately 74.94% of the total number of Shares in issue.

Mr. Chan has not entered into service contract with the Company. Mr. Chan’s appointment is not for a specific term but subject to retirement by rotation and be eligible for re-election at the Annual General Meeting in accordance with the Bye-Laws. The emolument of Mr. Chan is determined in accordance with market conditions, his role and responsibility and performance. The total emolument of Mr. Chan for the year ended 31 December 2023 was HK\$11,340,106.

Save as disclosed above, Mr. Chan (i) does not have any relationship with any director, senior management or substantial or controlling shareholder (as respectively defined in the Listing Rules) of the Company; (ii) does not have any interest in the Company within the meaning of Part XV of the SFO; (iii) did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold other major appointments and professional qualifications; (iv) does not hold any other positions with the Company or other subsidiaries of the Company; and (v) does not have any other information that needs to be disclosed pursuant to any of the requirements as set out in rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. TSE Wai Hang (“**Mr. Tse**”), aged 58, was appointed as an executive director and company secretary of the Company on 1 September 2019 and 25 January 2019 respectively. He is the head of Legal Department of the Company and in charge of the legal and company secretarial department of the Group. He holds directorship in certain subsidiaries of the Group. Mr. Tse graduated from the University of Hong Kong with a bachelor’s degree in laws. He is a qualified solicitor in Hong Kong. He has over 30 years working experience in the legal field.

Mr. Tse has not entered into service contract with the Company. Mr. Tse’s appointment is not for a specific term but subject to retirement by rotation and be eligible for re-election at the Annual General Meeting in accordance with the Bye-Laws. The emolument of Mr. Tse is determined in accordance with market conditions, his role and responsibility and performance. The total emolument of Mr. Tse for the year ended 31 December 2023 was HK\$2,413,000.

Save as disclosed above, Mr. Tse (i) does not have any relationship with any director, senior management or substantial or controlling shareholder (as respectively defined in the Listing Rules) of the Company; (ii) does not have any interest in the Company within the meaning of Part XV of the SFO; (iii) did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold other major appointments and professional qualifications; (iv) does not hold any other positions with the Company or other subsidiaries of the Company; and (v) does not have any other information that needs to be disclosed pursuant to any of the requirements as set out in rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. YOUNG Chun Man, Kenneth (“**Mr. Young**”), aged 60, was appointed as an independent non-executive director of the Company on 16 June 2023. Mr. Young received a Master’s degree in Corporate Finance from The Hong Kong Polytechnic University and Bachelor of Arts in economics from University of Essex, United Kingdom. Mr. Young is a fellow member of The Institute of Chartered Accountant in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants. He has over 30 years of professional experience in audit and accounting fields. He was a partner at HLB Hodgson Impey Cheng from September 1994 to March 2011. Mr. Young is also the founder and was a director of AITIA (HK) CPA LIMITED, a member of TGS Global since January 2015, and resigned as a director with effect from April 2022. Mr. Young is an independent non-executive director of Jacobson Pharma Corporation Limited (2633.HK) and was an independent non-executive director of China Tonghai International Financial Limited (952.HK) from September 2012 to February 2017. The shares of both companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Young is a member of the audit committee and a council member of SAHK.

Mr. Young has not entered into service contract with the Company. Mr. Young's appointment is not for a specific term but subject to retirement by rotation and be eligible for re-election at the Annual General Meeting in accordance with the Bye-Laws. The emolument of Mr. Young is determined in accordance with market conditions, his role and responsibility and performance. The total emolument of Mr. Young for the year ended 31 December 2023 was HK\$98,137.

Save as disclosed above, Mr. Young (i) does not have any relationship with any director, senior management or substantial or controlling shareholder (as respectively defined in the Listing Rules) of the Company; (ii) does not have any interest in the Company within the meaning of Part XV of the SFO; (iii) did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold other major appointments and professional qualifications; (iv) does not hold any other positions with the Company or other subsidiaries of the Company; and (v) does not have any other information that needs to be disclosed pursuant to any of the requirements as set out in rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the Scheme proposed to be adopted at the Annual General Meeting. It does not form part of, nor is it intended to be part of the Scheme and it should not be taken as affecting the interpretation of the Scheme.

1. PURPOSE OF THE SHARE OPTION SCHEME

- 1.1. The purpose of the Scheme is to provide incentive and/or reward to Eligible Participants for their contributions or potential contributions to the Group. The Scheme will enable the Group to recruit, incentivise and retain high-calibre staff, and it could also attract more categories of people by giving incentives to them to contribute to the Group's growth and development. Furthermore, the Board considers that the Eligible Participants will share the same interests and objectives with the Group upon their exercise of the Options so that full-time or part-time employees, directors, members of the management, advisers and consultants of the Group are given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group and the Shareholders as a whole.
- 1.2. The Scheme shall be subject to the administration of the Board (or if the Board so resolves by a committee of the Board) whose decision on all matters arising in relation to the Scheme or its interpretation or application or effect (save as otherwise provided in the Scheme) shall be final and binding on all parties subject to the prior receipt of a statement in writing from the auditors or the independent financial adviser of the Company if and as required by the Option.

2. WHO MAY JOIN AND THE BASIS OF DETERMINING ELIGIBILITY OF ELIGIBLE PARTICIPANTS

- 2.1. Eligible Participants include any Employee Participant, Service Provider and Related Entity Participant. The Board shall be entitled at any time within the period of ten (10) years commencing on the Adoption Date to make an offer to any Eligible Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Exercise Price.
- 2.2. The eligibility of each of the Eligible Participants shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:
 - (i) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;

- (ii) with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group. In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board or the committee of the Board (as the case may be) shall take into consideration the length and type of services provided and the recurrences and regularity of such services, and will benchmark such metrics against the performance of the employees, officers and directors of the Group to whom the Group provides equity incentives, while taking into account the purpose of the Scheme and the objectives in engaging the Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board or the committee of the Board (as the case may be) shall take into consideration the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's financial reports; and
- (iii) with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

3. EXERCISE PRICE

- 3.1. The Exercise Price shall be determined by the Board at its discretion and notified to an Eligible Participant and shall be at least the higher of:
 - (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
 - (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
 - (iii) the nominal value of the Share on the Offer Date.
- 3.2. Where a Option is to be granted, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such Option.

4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 4.1. The total number of Shares which may be issued in respect of all options and awards to be granted under the Scheme and any other schemes of the Company (the “**Scheme Mandate Limit**”) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.
- 4.2. Subject to the above, within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Scheme and any other schemes of the Company (the “**Service Provider Sublimit**”) must not in aggregate exceed 1% of the total number of Shares in issue as the Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit unless:
- (i) the Service Provider Sublimit is separately approved by the Shareholders in general meeting; and
 - (ii) a circular regarding the Service Provider Sublimit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, amongst others, the basis for determining the Service Provider Sublimit and an explanation as to why the Service Provider Sublimit is appropriate and reasonable).
- 4.3. For the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit, Shares which are the subject matter of any options or awards that have already lapsed in accordance with the terms of the relevant share scheme(s) of the Company will not be regarded as utilised.
- 4.4. The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders’ approval for the last refreshment (or the Adoption Date) provided that:
- (i) the Scheme Mandate Limit so refreshed shall not exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) and the Service Provider Sublimit so refreshed shall not exceed 1%, respectively, of the total number of issued Shares as at the date of such Shareholders’ approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit;
 - (ii) for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit, options or awards lapsed will not be regarded as utilised and options or awards cancelled will be regarded as utilised; and

- (iii) a circular regarding the proposed refreshment of the Scheme Mandate Limit and the Service Provider Sublimit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, Chapter 17 of the Listing Rules.
- 4.5. Further to the requirements set out above, any refreshment of the Scheme Mandate Limit and/or the Service Provider Sublimit within three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date) must be approved by the Shareholders in general meeting subject to the following provisions:
- (i) any controlling shareholder of the Company and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;
 - (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
 - (iii) the requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of Shares by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of the Shares, rounded to the nearest whole Share.
- 4.6. The Company may seek separate approval from the Shareholders in general meeting for granting Options which will result in the Scheme Mandate Limit or the Service Provider Sublimit being exceeded, provided that:
- (i) the grant is only to Eligible Participants specifically identified by the Company before the approval is sought; and
 - (ii) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and any other applicable laws and rules.
- 4.7. If the Company conducts any share consolidation or subdivision after the Scheme Mandate Limit or the Service Provider Sublimit has been approved in the general meeting, the maximum number of Shares that may be issued by the Company in respect of all options and awards to be granted under all of the schemes of the Company (including the Scheme) under the Scheme Mandate Limit or the Service

Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

5. GRANT OF OPTIONS

- 5.1. An Offer shall be made to an Eligible Participant in writing in such form as the Board may from time to time determine requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant to whom an Offer is made for a period as specified in the letter of the Offer, by which the Eligible Participant must accept the Offer or be deemed to have declined it, provided that no such Offer shall be open for acceptance after the date of termination of this Scheme in accordance with the Scheme or after the Eligible Participant to whom the Offer is made has ceased to be an Eligible Participant.
- 5.2. The Board may in its absolute discretion specify such conditions as well as vesting period as it thinks fit when making an Offer to an Eligible Participant (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Participant and/or the Company and/or its subsidiaries, before an Option may be vested), provided that such conditions shall not be inconsistent with any other terms and conditions of the Scheme or the relevant requirements under applicable laws or the Listing Rules and no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws. Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of this Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.
- 5.3. No Offer shall be made to any Eligible Participant after inside information has come to the Company's knowledge until (and including) the trading day on which it has announced the information. In particular, no Options shall be made to any Eligible Participant:
 - (i) during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of results announcement, and no Option may be granted during any period of delay in publishing a results announcement; or
 - (ii) who is subject to the Model Code during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code.
- 5.4. An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the Company receives duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein no option price will be payable upon the acceptance of the Offer, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within 21 days from the Offer Date.
- 5.5. Any Offer may be accepted in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined and upon which, the subject Options with respect to the declined Offer will be lapsed and will not be utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

6. VESTING OF OPTIONS

- 6.1. The Options to be granted under the Scheme shall be subject to a minimum vesting period of 12 months during which unvested Options shall not become vested and exercisable. Any shorter vesting period in respect of Options granted to Employees Participants must be approved by the Board and/or the remuneration committee of the Board (for Options granted to the Directors or senior managers) at the Directors' discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. The specific circumstances giving rise to a shorter vesting period are as follows:
- (i) grants of "make-whole" Option(s) to new Employee Participants to replace the share options they forfeited when leaving their previous employers;
 - (ii) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;
 - (iii) grants of Options which are subject to the fulfilment of performance targets;

- (iv) grants of Options that are made in batches during a year due to administrative or compliance requirements which may be subject to any changes made to the applicable laws, regulations and rules in the jurisdictions which the Employee Participants and the Group are subject to and not connected with the performance of the relevant Employee Participant, which include Options that should have been granted earlier if not for such administrative or compliance requirements but had to wait for subsequent batch, in which case the vesting date may be adjusted to take account of the time from which the Options would have been granted if not for such administrative or compliance requirements, which allows flexibility for the Company to reward Employee Participants in case of delays due to administrative or compliance requirements. In the event of any administrative or compliance requirements which give rise to a shorter vesting period of the Options granted to any Employee Participant, the Company will make further announcement as and when appropriate;
- (v) grants of Options with a mixed or accelerated vesting schedule such that the Options vest evenly over a period of 12 months;
- (vi) grants of Options with a total vesting and holding period of more than 12 months; and
- (vii) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the Scheme after considering factors including, but not limited to:
 - (a) the Company's goal and purposes of the grants of Options;
 - (b) the positions and roles of the Employee Participant in the Group;
 - (c) the Employee Participant's past and expected contribution to the Group in terms of nature, duration and significance;
 - (d) the competitiveness of the compensation, remuneration and reward package of the Employee Participant and the industry standards and market rates for employees of similar background and position/role;
 - (e) the Group's recruitment and retention strategies in response to the changing market conditions and industry competition;
 - (f) the market condition in which the Group operates and the potential financial impact on the Group (if any); and
 - (g) the compliance with the applicable laws and regulations, including the Listing Rules,

with a view to retain, incentivise and reward the Employee Participants and encourage them to continuously contribute to the growth, development, expansion and long-term success of the Group.

7. PERFORMANCE TARGETS AND CLAWBACK MECHANISM

- 7.1. The Offer shall specify the performance target(s), if any, that must be duly fulfilled by the Grantee(s) before any of the Options may be vested in such Grantee(s) under such Offer. The Board or a committee of the Board may in respect of each Offer and subject to all applicable laws, rules and regulations determine such performance targets for vesting of Options in its sole and absolute discretion. Such performance targets may include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional department, projects and/or geographical area managed by the Grantees. For the avoidance of doubt, an Option shall not be subject to any performance targets, criteria or conditions if none is set out in the relevant Offer.
- 7.2. Save as determined by the Board and provided in the offer letter of the grant of the relevant Option, there is no performance target which must be achieved before an Option can be exercised under the terms of the Scheme nor any clawback mechanism for the Company to recover or withhold any Options granted to any Eligible Participant.

8. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

- 8.1. The total number of Shares issued and to be issued in respect of all options and awards under all share schemes of the Company granted to any Eligible Participant (“**Relevant Eligible Participant**”) (excluding any options and awards lapsed in accordance with the term(s) of the relevant scheme of the Company) in any 12-month period up to and including the Offer Date (“**Relevant Shares**”) shall not exceed 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of the grant, unless:
- (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Relevant Eligible Participant and his/her close associates (or his/her associates if the Relevant Eligible Participant is a connected person) shall abstain from voting;
 - (ii) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in the relevant provisions of Chapter 17 of the Listing Rules; and

- (iii) the number and terms of such Option are fixed before the general meeting of the Company at which the same are approved.

9. GRANT OF OPTIONS TO CONNECTED PERSONS

- 9.1. Where an Option is to be granted to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is a prospective Grantee of the Option.
- 9.2. Where an Option is to be granted to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates), and the grant will result in the number of the Relevant Shares exceeding 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the total number of Shares in issue at the relevant time of the grant, such grant shall not be valid unless:
 - (i) a circular containing the details of the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective Grantee of the Option) to the independent Shareholders as to voting); and
 - (ii) the grant has been approved by the Shareholders in general meeting (taken on a poll) in accordance with the relevant provisions of the Listing Rules, in particular, the relevant Grantee, his/her Associates and all core connected persons shall abstain from voting (except that a connected person may vote against the resolution if his/her intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules). The Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

10. EXERCISE OF OPTION

An Option may be exercised in whole or in part by the Grantee (or his/her personal representatives) at any time before the expiry of the Exercise Period by delivering to the Company a notice in writing in a form approved by the Board, stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given.

11. TRANSFERABILITY OF OPTION

An Option shall be personal to the Grantee. Unless a waiver is granted by the Stock Exchange or otherwise permitted or required under the applicable laws and regulations, an Option shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option.

12. RIGHTS ON CESSATION OF EMPLOYMENT BY DEATH

Where the Grantee of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to a general offer, scheme of arrangement, scheme for the reconstruction or amalgamation or voluntary winding up of the Company by his/her personal representatives within 12 months of the date of death.

13. RIGHTS ON CESSATION OF EMPLOYMENT OR RETIREMENT

13.1. Where the holder of an outstanding Option ceases to be an Eligible Participant for any reason other than (i) death, (ii) re-employed after retirement or has changed in position but still be an Eligible Participant before exercising the Option in full or at all, or (iii) by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Participant, the Options shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines in which event the Option shall be exercisable to the extent and within such period as the Board may determine. The date of such cessation shall be (i) if he is an employee of the Company, any subsidiary of the Company or any Related Entity, his/her last actual working day at his/her work place with the Company, any subsidiary of the Company or any Related Entity whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Company, any subsidiary or any Related Entity, the date on which his/her relationship with the Group which has constituted him an Eligible Participant ceases.

13.2. Where the Grantee of an outstanding Option is re-employed after retirement or has changed in position(s) but still be an Eligible Participant before exercising the Option in full or at all, the Option may continue to be exercised by the Grantee.

13.3. Where the Grantee of an outstanding Option ceases to be an Eligible Participant by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Participant (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements

or composition with his/her creditors generally or on which he/she has been convicted of any criminal offence involving his/her integrity or honesty, the Option shall lapse on the date of his/her dismissal.

14. CANCELLATION OF OPTIONS

14.1. The Board at its sole discretion may cancel an Option granted but not exercised with the approval of the Grantee of such Option in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange.

14.2. Options may be granted to an Eligible Participant in place of his/her cancelled Options provided that there are available Scheme Mandate Limit and the Service Provider Sublimit approved by the Shareholders as referred to in Rule 17.03B or Rule 17.03C of the Listing Rules. The Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

15. ALTERATION OF CAPITAL STRUCTURE

15.1. In the event of any alteration in the capital structure of the Company by way of capitalisation issue, rights issue, sub-division or consolidation of the Shares or reduction of the share capital of the Company (other than an issue of the Shares as consideration in respect of a transaction) while any Option remains exercisable, such corresponding adjustment (if any) will be made in:

- (i) the numbers of the Shares subject to the Options so far as unexercised; and/or
- (ii) the Exercise Price of any unexercised Option,

as the independent financial adviser of the Company for the time being or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the Listing Rules (no such certification is required in case of adjustment made on a capitalisation issue), provided that any such adjustments shall be made on the basis that the Grantee shall have the same proportion of the total number of Shares in issue, rounded to the nearest whole Share, to which he/she was entitled before such adjustment and the aggregate Exercise Price payable by the relevant holder of the Options on the full exercise of any Options shall remain as nearly as possible the same as (but not greater than) it was before such event.

15.2. Upon any adjustment as referred to in paragraph 15.1 above, the Company shall notify the Grantees in writing the adjustments that have been made. If there has been any alteration in the capital structure of the Company, and if the Company has not yet informed the Grantees certificate of the Auditors or the independent financial adviser of the Company (as the case may be), the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 10, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the aforesaid certificate obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser of the Company as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 15.1 above.

16. RIGHTS ON A GENERAL OFFER

If a general offer by way of a take-over is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his/her personal representatives) may exercise the Option to its full extent or to the extent specified in such notice.

17. RIGHTS ON SCHEME OF ARRANGEMENT

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his/her personal representatives) may, by delivering a notice in writing to the Company within seven days of such Shareholders' approval, exercise the Option to its full extent or to the extent specified in such notice.

18. RIGHTS ON VOLUNTARY WINDING UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions) and thereupon, each Grantee (or his/her personal representatives) shall be entitled to exercise all or any of his/her Options at any time not later than seven days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.

19. RIGHTS ON RECONSTRUCTION OR AMALGAMATION

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 17 above, between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the Grantee (or his/her personal representatives) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his/her Options, and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, issue, allot and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Options. In the event that the Grantees do not exercise all of any of his/her Options before the specified timing, and provided that the then market price of the Option is higher than the Exercise Price of the Option, the Board may in its sole discretion, sell the Option on behalf of the Grantee, whereby the Grantee will be entitled to receive the cash equivalent from such sale (less any costs incurred by the Company (if any)). In the event that the market price of the Option is lower than the Exercise Price of the Option or the Board in its sole discretion decides not to sell the Option on the market, the Option will automatically lapse.

20. PERIOD OF THE SHARE OPTION SCHEME

Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof, after which period no further Option shall be granted.

21. TERMINATION OF THE SHARE OPTION SCHEME

The Scheme shall be terminated on the earlier of:

- (i) the tenth (10) anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board by a resolution of the Board,

provided that such termination shall not affect any subsisting rights of any Grantee hereunder, following which no further grant of Options shall be offered but in all other respects the rules of the Scheme shall continue in full force and effect to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Scheme. Any Options granted prior to such termination, including Options exercised or outstanding under the Scheme, shall continue to be valid and exercisable in accordance with the Scheme.

22. RANKING OF SHARES

The Shares to be issued and allotted upon the exercise of an Option shall be subject to the Company's constitutional documents for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. A Share issued and allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as a holder thereof.

23. ALTERATION TO THE SHARE OPTION SCHEME

23.1. The Scheme may be altered in any respect by resolution of the Board except that:

- (a) the definition of "Eligible Participant", "Grantee" and "Exercise Period" and the provisions in paragraphs 1, 2, 3, 5.4, 6 to 24 which are of a material nature; and
- (b) provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees,

must be approved by Shareholders in general meeting (with the Grantees and their associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of the rights attached to the Shares.

23.2. Any change to the authority of the Board to alter the terms of the Scheme shall not be valid unless approved by the Shareholders in general meeting.

23.3. Any change to the terms of Options granted to a Grantee must be approved by the Board, the remuneration committee of the Board, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options requires such approval (except where the alterations take effect automatically under the existing provisions of the Scheme).

23.4. The amended terms of the Scheme or the Options must comply with Chapter 17 of the Listing Rules.

24. LAPSE OF OPTIONS

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the Exercise Period;
- (ii) the expiry of any of the periods referred to in paragraphs 12, 13.1, 13.2 or 16 above;
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 17 above;
- (iv) subject to paragraph 18 or 19 above, the date of the commencement of the winding-up of the Company;
- (v) the date on which the Grantee ceases to be an Eligible Participant by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him an Eligible Participant (including, among others, causing material misstatement of the financial statements of the Company), or the date on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements or composition with his/her creditors generally or on which he/she has been convicted of any criminal offence involving his/her integrity or honesty; or
- (vi) the date on which the Grantee commits a breach of paragraph 19 above.

25. CONDITIONS OF THE SHARE OPTION SCHEME

25.1. The Scheme is conditional on:

- (i) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to (a) approve and adopt the Scheme, (b) authorise the Board to grant Options under the Scheme, and (c) authorise the Board to allot and issue Shares pursuant to the exercise of any Options to be granted pursuant to the Scheme; and
- (ii) the Stock Exchange granting approval to the listing of, and permission to deal in, such number of Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions herein, such number being not less than that of the Scheme Mandate Limit.

25.2. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of any Options granted under the Scheme. At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the adoption of the Scheme.



SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

NOTICE IS HEREBY GIVEN that an annual general meeting 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 Thursday, 23 May 2024 at 2:30 p.m. (the “**Annual General Meeting**”) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) and the reports of the directors and independent auditor for the year ended 31 December 2023.
2. To declare a final and special dividend for the year ended 31 December 2023.
3.
 - A To re-elect Mr. CHAN Hing Tat, as an executive director of the Company.
 - B To re-elect Mr. TSE Wai Hang, as an executive director of the Company.
 - C To re-elect Mr. YOUNG Chun Man, Kenneth as an independent non-executive director of the Company.
 - D To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”).
4. To re-appoint Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants as auditor of the Company and to authorise the Board to fix their remuneration.
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - A “**THAT**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(the “**Stock Exchange**”), subject to and in accordance with the applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;

- (b) the total number of shares of the Company to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the approval in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (the “**Bye-Laws**”) or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting.”

B “**THAT**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares of the Company that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to Shareholders or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

- C **“THAT** conditional upon the passing of resolutions set out in items 5A and 5B of the notice convening this meeting, the general mandate referred to in the resolution set out in item 5B of the notice convening this meeting be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company

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pursuant to the mandate referred to in resolution set out in item 5A of the notice convening this meeting, provided that such amount shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution.”

6. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in any shares of the Company (the “**Shares**”) to be issued pursuant to the exercise of any options which may be granted under the share option scheme of the Company (the “**Share Option Scheme**”) (a copy of which is produced to this meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification), the rules of the Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Share Option Scheme including but without limitation to grant option and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder.”
7. “**THAT** conditional on the passing of the resolution set out in item 6 of the notice convening this meeting, the Directors be and are hereby authorised to grant options to the Service Providers (as defined in the rules of the Share Option Scheme) to subscribe for Shares in accordance with the rules of the Share Option Scheme up to a maximum of 1% of the Shares in issue as at the date of passing of this resolution, to allot and issue Shares pursuant to the exercise of the options so granted and to take all necessary actions incidental thereto as the Directors deem fit.”

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

Hong Kong, 18 April 2024

Notes:

1. All resolutions at the Annual General Meeting will be taken by poll except where the Chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.soundwill.com.hk) in accordance with the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

2. Any Shareholder entitled to attend and vote at the Annual General Meeting 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 21/F, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 20 May 2024 to Thursday, 23 May 2024 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining Shareholders entitled to attend the AGM will be Thursday, 23 May 2024. In order to be eligible to attend and vote at the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2024.
5. For determining the entitlement to the proposed final and special dividend for the year ended 31 December 2023, the register of members of the Company will be closed from Wednesday, 29 May 2024 to Thursday, 30 May 2024 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining Shareholders entitled to receive the proposed final and special dividend will be Thursday, 30 May 2024. In order to qualify for the final and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 28 May 2024.
6. 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.