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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)

POSSIBLE DISCLOSEABLE TRANSACTION AND MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE AUCTION OF HAVEN COURT

PROGRESS UPDATE IN RELATION TO THE AUCTION

Reference is made to the announcement of Soundwill Holdings Limited (the “**Company**”) dated 2 April 2024 in relation to the Possible Discloseable Transaction and the Possible Very Substantial Disposal, either of which may take place at the Auction (the “**Announcement**”). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein.

The Board would like to provide the Shareholders and potential investors with a progress update on the Auction, which was held on Wednesday, 17 April 2024. At the Auction, no bid was placed. Accordingly, no transaction was entered into in relation to the Lot at the Auction.

Notwithstanding that the Group had endeavoured to unify the ownership of the Lot for redevelopment to unlock its potential commercial value before filing an application to the Lands Tribunal for the grant of an order for sale of the entire Lot pursuant to the Ordinance in July 2019, and the Group since then (i) had diligently conducted the said application and (ii) had taken steps to execute the Sale Order after it was made by the Lands Tribunal in February 2024 and had executed the Sale Order and acted to facilitate the conduct of the Auction, the Company finally decided not to place a bid at the Auction after having taken into careful consideration the current economic conditions and the real property market in Hong Kong, and in particular, real property value is likely to continue undergoing downwards adjustments. As disclosed in the Announcement, based on the valuation report prepared by Vigers, as at 29 February 2024, the market value upon redevelopment of the Lot (i.e. the entire Haven Court) is approximately HK\$2.1 billion, which is below the Reserve Price of HK\$2.425 billion.

The Company is currently seeking advice from its Hong Kong legal advisers and so to explore and evaluate different options that the Company may next take in relation to the ownership of the Lot, including but not limited to, (i) liaising and entering into private agreements with each and every Registered Owners to purchase the Remaining Units; or (ii) making an application to the Lands Tribunal for an extension of time to conduct another auction (the “**Further Auction**”) together with an application to adjust the Reserve Price downwards to align with the current market value of the Lot (the “**Revised Reserved Price**”, collectively, the “**Extension Applications**”).

The Company will still issue a circular to the Shareholders which shall contain, among other matters, (i) further information on the Mandate for the Possible Very Substantial Disposal at a consideration equal to or higher than the Revised Reserved Price; (ii) financial information of the Group; (iii) an independent property valuation report on Haven Court; (iv) notice of the SGM; and (v) other information required under the Listing Rules, so that the Company could obtain a mandate from its Shareholders which shall remain valid for twelve (12) months from the date of the Shareholders’ approval, in the event that the Company decides to make the Extension Applications and the Further Auction may take place in the near future.

WARNING

As at the date hereof, the Company has not made the Extension Applications and there is no guarantee that the Further Auction will be held. Even if the Lands Tribunal has accepted the Extension Applications and the Further Auction will be held, as the Further Auction has yet to be taken place and there are various factors that could affect the bid at the Further Auction, the Possible Discloseable Transaction or the Possible Very Substantial Disposal may or may not proceed. Accordingly, the Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 17 April 2024

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

** For identification purpose only*