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EARNING EASE LIMITED

(Incorporated in the British Virgin Islands with limited liability)

SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATISATION OF
SOUNDWILL HOLDINGS LIMITED**

BY

THE OFFEROR

**BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF
THE COMPANIES ACT;**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
SOUNDWILL HOLDINGS LIMITED;**

(3) PROPOSED SPECIAL DIVIDEND;

(4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;

AND

**(5) RESUMPTION OF TRADING IN SHARES OF
SOUNDWILL HOLDINGS LIMITED**

Financial Adviser to the Offeror

ANGLO CHINESE 英
CORPORATE FINANCE, LIMITED 高

1. INTRODUCTION

The Offeror and the Company jointly announce that, on 5 March 2025, after trading hours, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act.

2. TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment of the Total Price of HK\$8.5 for each Scheme Share cancelled, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror; and (ii) the Special Dividend of HK\$1.0 in cash for each Share to be paid by the Company;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so allotted and issued to the Offeror;
- (c) the Company will be owned as to (i) approximately 25.03% by the Offeror; (ii) approximately 0.03% by Madam Foo; (iii) approximately 74.10% by Ko Bee; and (iv) approximately 0.84% by Full Match; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules so that such withdrawal is to take place immediately following the Effective Date.

Under the Proposal, the Offeror will procure the Company to, and the Company will, declare the Special Dividend of HK\$1.0 which, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, shall be payable to the Shareholders whose names appear on the register of members of the Company on the Record Date, including but not limited to the Offeror Concert Parties who are holders of the Shares.

Ko Bee has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by Ko Bee and Full Match (being its wholly-owned subsidiary) immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend.

Accordingly, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive the Total Price of HK\$8.5 in cash per Scheme Share under the Proposal, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror; and (ii) the Special Dividend of HK\$1.0 in cash for each Share to be paid by the Company, with the Cancellation Price and the Total Price representing a premium of approximately 43.68% and 62.84%, respectively, over the closing price of HK\$5.22 per Share as quoted on the Stock Exchange on the Benchmark Date.

The Total Price (comprising the Cancellation Price and the Special Dividend) will not be increased, and the Offeror and the Company do not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror and the Company will not be allowed to increase the Total Price.

The Total Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Group, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this joint announcement.

If, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital other than the Special Dividend is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

As at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) the Company has confirmed that, other than the Special Dividend, it does not intend to declare any dividend or other distribution on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed “Conditions of the Proposal and the Scheme” below. All Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

4. FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$7.5 per Scheme Share, the Special Dividend of HK\$1.0 per Scheme Share and 70,907,005 Scheme Shares in issue as at the date of this joint announcement and assuming no further Shares will be issued on or before the Record Date, the total maximum cash consideration payable to the Scheme Shareholders under the Proposal would be approximately HK\$602.71 million.

Payment of the Cancellation Price will be funded by external debt and/or internal resources of a controlled entity under Madam Foo’s family trust.

Payment of the Special Dividend will be funded by the internal cash resources of the Group.

Anglo Chinese, the financial adviser to the Offeror in relation to the Proposal, is satisfied that sufficient financial resources are available to (i) the Offeror to satisfy the Cancellation Price; and (ii) the Company to satisfy the Special Dividend for the Scheme Shareholders.

5. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established to advise the Disinterested Scheme Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable, and whether to vote in favour of the Scheme at the Court Meeting and the necessary resolution(s) to implement the Proposal at the SGM.

An Independent Financial Adviser will also be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

6. WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, such withdrawal to take place immediately following the Effective Date.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

7. DESPATCH OF THE SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, further details of the Special Dividend, an explanatory statement, the expected timetable relating to the Proposal, the recommendation of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Listing Rules and applicable laws and regulations.

8. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 2:52 p.m. on 14 February 2025, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 10 March 2025.

WARNINGS

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Shareholders and potential investors of the Company should be aware that the payment of the Special Dividend is in turn subject to, amongst other things, the Scheme having become binding and effective in accordance with its terms and conditions. Accordingly, the Special Dividend may or may not materialise. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

NOTICE TO U.S. INVESTORS

The Proposal and the Scheme relate to the cancellation of the securities of a Bermuda company by means of a scheme of arrangement provided for under the laws of Bermuda. The Proposal and the Scheme are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the U.S..

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Proposal and the Scheme are subject to the disclosure and other procedural requirements and practices applicable in Bermuda and Hong Kong to schemes of arrangement which differ from those applicable under the U.S. federal securities laws.

The receipt of cash pursuant to the Proposal or the Scheme by a U.S. holder of Scheme Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

It may be difficult for U.S. holders of Scheme Shares to enforce their rights and any claim arising out of the U.S. federal securities laws in connection with the Proposal and the Scheme, since the Offeror and the Company are located in a country outside the U.S., and some or all of their respective officers and directors may be residents of a country other than the U.S.. U.S. holders Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

INTRODUCTION

The Offeror and the Company jointly announce that, on 5 March 2025, after trading hours, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act.

TERMS OF THE PROPOSAL

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date in exchange for the payment of the Total Price of HK\$8.5 for each Scheme Share cancelled, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror, and (ii) the Special Dividend of HK\$1.0 in cash for each Share to be paid by the Company;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full the new Shares so allotted and issued to the Offeror;
- (c) the Company will be owned as to (i) approximately 25.03% by the Offeror; (ii) approximately 0.03% by Madam Foo; (iii) approximately 74.10% by Ko Bee; and (iv) approximately 0.84% by Full Match; and
- (d) the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules so that such withdrawal is to take place immediately following the Effective Date.

Cancellation Price and Special Dividend

The Scheme will provide that the Scheme Shares be cancelled in exchange for the payment to Scheme Shareholders of the Total Price of HK\$8.5 in cash for each Scheme Share (being the aggregate of the Cancellation Price of HK\$7.5 and the Special Dividend of HK\$1.0).

Under the Proposal, the Offeror will procure the Company to, and the Company will, declare the Special Dividend of HK\$1.0 which, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, shall be

payable to the Shareholders whose names appear on the register of members of the Company on the Record Date, including but not limited to the Offeror Concert Parties who are holders of the Shares.

Ko Bee has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the Shares held by Ko Bee and Full Match (being its wholly-owned subsidiary) immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend.

Accordingly, if the Scheme becomes binding and effective in accordance with its terms and conditions, the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date will receive the Total Price of HK\$8.5 in cash per Scheme Share under the Proposal, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror, and (ii) the Special Dividend of HK\$1.0 in cash for each Share to be paid by the Company.

The Total Price (comprising the Cancellation Price and the Special Dividend) will not be increased, and the Offeror and the Company do not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror and the Company will not be allowed to increase the Total Price.

If, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital other than the Special Dividend is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

As at the date of this joint announcement, (i) the Company has not declared any dividend which remains unpaid; and (ii) the Company has confirmed that, other than the Special Dividend, it does not intend to declare any dividend or other distribution on or before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

Total consideration

As at the date of this joint announcement, the total issued share capital of the Company comprises 283,308,635 Shares.

On the assumption that (i) the Scheme has become effective; and (ii) no further Shares are issued before the Record Date, there would be 70,907,005 Scheme Shares and accordingly, the amount of cash required for the Scheme is approximately HK\$531.80 million (representing the aggregate Cancellation Price payable under the Scheme).

On the assumption that there is no other change in the shareholding structure of the Company before the completion of the Proposal, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, the total amount of the Special Dividend payable to the Scheme Shareholders will be approximately HK\$70.91 million, which will be funded by the Company.

The sum of the Total Price payable to Scheme Shareholders amounts to approximately HK\$602.71 million, the payment of which will be subject to satisfaction of their respective conditions.

Confirmation of financial resources

On the basis of the Cancellation Price of HK\$7.5 per Scheme Share, the Special Dividend of HK\$1.0 per Scheme Share and 70,907,005 Scheme Shares in issue as at the date of this joint announcement and assuming no further Shares will be issued on or before the Record Date, the total maximum cash consideration payable to the Scheme Shareholders under the Proposal would be approximately HK\$602.71 million.

Payment of the Cancellation Price will be funded by external debt and/or internal resources of a controlled entity under Madam Foo's family trust.

Payment of the Special Dividend will be funded by the internal cash resources of the Group.

Anglo Chinese is the financial adviser to the Offeror in relation to the Proposal, is satisfied that sufficient financial resources are available to (i) the Offeror to satisfy the Cancellation Price; and (ii) the Company to satisfy the Special Dividend for the Scheme Shareholders.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will become effective and binding on the Company and all Scheme Shareholders subject to the fulfillment or waiver (as applicable) of the following Conditions:

- (a) (i) the approval of the Scheme (by way of poll) at the Court Meeting by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and

- (ii) (1) the approval of the Scheme (by way of poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders cast by the Disinterested Scheme Shareholders either in person or by proxy at the Court Meeting; and (2) the number of votes cast (by way of poll) by the Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Disinterested Scheme Shareholders;
- (b) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting, either in person or by proxy, at the SGM, to approve and give effect to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares and contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and applying the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full the new Shares so allotted and issued to the Offeror;
- (c) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (d) compliance with the procedural requirements and conditions, to the extent necessary, under section 46 of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (e) all Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities in Bermuda, Hong Kong, and/or any other relevant jurisdictions and, if applicable, any waiting periods having expired or terminated (in each case where such Authorisation is material in the context of the Group as a whole and in the context of the Proposal);
- (f) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;

- (g) if required, the obtaining by the Offeror of such other necessary consent, approval, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary for the performance of the Scheme under applicable laws and regulations;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (i) all necessary consents in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained and remaining in effect;
- (j) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms;
- (k) since the date of this joint announcement, there having been no material adverse change in the business, financial or trading position or prospects of any member of the Group to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal; and
- (l) since the date of this joint announcement, there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal.

Conditions (a) to (e) cannot be waived. The Offeror reserves the right to waive all or any of Conditions (f) to (l), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions.

In respect of the Conditions (e) to (g), as at the date of this joint announcement, other than those set out in Conditions (a) to (d)(inclusive), the Offeror is not aware of any Authorisations or consents which are required.

With reference to the Condition (h), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order.

With reference to the Condition (i), as at the date of this joint announcement, save for consents which may be required from financial institutions under any material debt facilities and other contractual obligations of the Group in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange, each of the Offeror and the Company is not aware of any such consents which are required.

With reference to the Condition (j), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such non-compliance or such legal or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (f).

As at the date of this joint announcement, each of the Offeror and the Company is not aware of any circumstances which may result in Condition (k) not being satisfied.

The Company shall use its reasonable endeavours to ensure that Condition (l) is fulfilled.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse. If the Scheme is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM. An update of expected timetable will be provided by further announcement when the Scheme Document is despatched.

As at the date of this joint announcement, none of the Conditions have been fulfilled or waived (as the case may be).

Warning: Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

COMPARISONS OF VALUE

The table below sets out (i) the Cancellation Price of HK\$7.5 per Scheme Share; and (ii) the Total Price of HK\$8.5 per Scheme Share, respectively, compared to various benchmarks, including historical trading prices of the Shares and the audited and unaudited consolidated net asset values attributable to Shareholders:

Comparison Metric	Price/net asset value per Share <i>HK\$ (approx.)</i>	Percentage of Premium or (Discount) represented by the Cancellation Price <i>% (approx.)</i>	Percentage of Premium or (Discount) represented by the Total Price <i>% (approx.)</i>
Closing price on the Benchmark Date	5.22	43.68	62.84
Average of:			
Closing prices for the five consecutive trading days up to and including the Benchmark Date	5.29	41.78	60.68
Closing prices for the 10 consecutive trading days up to and including the Benchmark Date	5.30	41.51	60.38
Closing prices for the 30 consecutive trading days up to and including the Benchmark Date	5.33	40.71	59.47
Closing prices for the 60 consecutive trading days up to and including the Benchmark Date	5.36	39.93	58.58
Closing prices for the 120 consecutive trading days up to and including the Benchmark Date	5.41	38.63	57.12
Closing price on the Last Trading Date	5.5	36.36	54.55
Audited consolidated net asset value attributable to Shareholders per Share as at 31 December 2023	65.15	(88.49)	(86.95)
Unaudited consolidated net asset value attributable to Shareholders per Share as at 30 June 2024	60.76	(87.66)	(86.01)

The Total Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Group, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this joint announcement.

During the six-month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$6.19 on 7 October 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$5.21 on 27 August 2024.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement:

- (a) the issued share capital of the Company comprises 283,308,635 Shares and the Company has no convertible securities, warrants, options or other relevant securities in respect of the Shares;
- (b) the Offeror is a company incorporated in the BVI and is wholly-owned by Ko Bee;
- (c) the Offeror does not own, control or has direction over any Shares;
- (d) the Offeror Concert Parties own, control or have direction over 212,401,630 Shares, representing approximately 74.97% of the issued share capital of the Company;
- (e) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or the Offeror Concert Parties;
- (f) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (g) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, the Scheme Shares, comprising 70,907,005 Shares, represent approximately 25.03% of the issued Shares.

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon the Scheme becoming effective.

	As at the date of this joint announcement		Upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company ⁽⁵⁾	Number of Shares	Approximate % of the issued share capital of the Company ⁽⁵⁾
The Offeror ⁽¹⁾	—	—	70,907,005	25.03%
The Offeror Concert Parties not subject to the Scheme				
— Foo Kam Chu Grace ⁽²⁾	96,602	0.03%	96,602	0.03%
— Ko Bee Limited ⁽³⁾	209,919,028	74.10%	209,919,028	74.10%
— Full Match Limited ⁽⁴⁾	2,386,000	0.84%	2,386,000	0.84%
— Other Offeror Concert Parties	—	—	—	—
Sub-total: Offeror and Offeror Concert Parties	<u>212,401,630</u>	<u>74.97%</u>	<u>283,308,635</u>	<u>100%</u>
Disinterested Scheme Shareholders	<u>70,907,005</u>	<u>25.03%</u>	<u>—</u>	<u>—</u>
Total	<u><u>283,308,635</u></u>	<u><u>100%</u></u>	<u><u>283,308,635</u></u>	<u><u>100%</u></u>

Notes:

- (1) The Offeror is a company incorporated in the BVI established and wholly-owned by Ko Bee and does not own any Shares. See Note 3 for information regarding Ko Bee.
- (2) 96,602 Shares were held by Madam Foo personally. Madam Foo is an executive Director.
- (3) Ko Bee is a company wholly-owned by a family discretionary trust whose beneficiaries include Madam Foo and her family members including but not limited to (a) Ms. Chan Wai Ling (daughter of Madam Foo and an executive Director), (b) Mr. Chan Hing Tat (son of Madam Foo and an executive Director) and (c) Ms. Winnie Chan (daughter of Madam Foo). The trustee of the family trust is Century Pine (PTC) Limited. The trustee and the beneficiaries of the said family trust (other than Madam Foo) do not own any Shares directly.
- (4) Full Match is a company wholly-owned by Ko Bee.
- (5) All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding.

As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 283,308,635 Shares.

SPECIAL DIVIDEND

Under the Proposal, the Offeror will procure the Company to, and the Company will, declare a Special Dividend of HK\$1.0 which, subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions, shall be payable to the Shareholders whose names appear on the register of members of the Company on the Record Date, including but not limited to the Offeror Concert Parties who are holders of the Shares. None of the foregoing conditions to the payment of the Special Dividend can be waived.

The Board recommended the amount of the Special Dividend of HK\$1.0, subject to the conditions of the Special Dividend being satisfied on or before the Long Stop Date.

Ko Bee (which, together with Full Match, holds 212,305,028 Shares representing approximately 74.94% of the issued Shares as at the date of this joint announcement) has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares held by Ko Bee and Full Match (being its wholly-owned subsidiary) immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend.

The Special Dividend will be paid by the Company to the Shareholders in cash after the Scheme having become binding and effective in accordance with its terms and conditions and will be paid on the same date on which the Cancellation Price will be paid by the Offeror to the Scheme Shareholders.

The Scheme Document, which will be despatched to the Shareholders in due course, will contain further details of the Special Dividend, including but not limited to the arrangements regarding the payment of the Special Dividend, overseas shareholders' entitlements, and the expected timetable of the Special Dividend.

Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective.

Shareholders and potential investors of the Company should be aware that the payment of the Special Dividend is in turn subject to, amongst other things, the Scheme having become binding and effective in accordance with its terms and conditions. Accordingly, the Special Dividend may or may not materialise. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

SCHEME SHARES, COURT MEETING AND SGM

Only Scheme Shareholders whose names appear in the register of members of the Company as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. As at the date of this joint announcement, (a) the Offeror does not own, control or has direction over the Company; and (b) the Offeror Concert Parties were interested in 212,401,630 Shares, representing approximately 74.97% of the issued share capital of the Company. In any event, none of the Shares held by the Offeror and the Offeror Concert Parties will be voted at the Court Meeting. Each of the Offeror and the relevant Offeror Concert Parties will provide an undertaking to the Court not to attend and vote at the Court Meeting. The Offeror and such Offeror Concert Parties will also undertake to the Court to be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme. Only the votes of the Disinterested Scheme Shareholders will be taken into account in determining if Condition (a)(ii) as disclosed in the section headed “Conditions of the Proposal and the Scheme” is satisfied, and therefore the Shares held by the Offeror and Offeror Concert Parties will not be taken into account in this respect. As at the date of this joint announcement, all Scheme Shares are Disinterested Scheme Shares.

All Shareholders whose names appear in the register of members of the Company as at the Meeting Record Date will be entitled to attend and vote on (i) the special resolution to be proposed at the SGM to approve and give effect to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares and contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and applying the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full the new Shares so allotted and issued to the Offeror, and (ii) the ordinary resolution to be proposed at the SGM to approve and give effect to the Special Dividend.

The Offeror and the Offeror Concert Parties have indicated that they will vote in favour of the special resolution to be proposed at the SGM. Ko Bee has undertaken (to the extent permitted under Takeovers Code, the Listing Rules and applicable laws and regulations) to exercise or procure the exercise of the voting rights in respect of the

Shares held by Ko Bee and Full Match (being its wholly-owned subsidiary) immediately prior to the Scheme becoming effective to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend.

Upon the Scheme becoming effective, the Company will be owned as to (i) approximately 25.03% by the Offeror; (ii) approximately 0.03% by Madam Foo; (iii) approximately 74.10% by Ko Bee; and (iv) approximately 0.84% by Full Match.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Anglo Chinese as its financial adviser in connection with the Proposal.

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chan Kai Nang, Mr. Pao Ping Wing and Mr. Young Chun Man, Kenneth, has been established by the Board to make a recommendation to the Disinterested Scheme Shareholders as to whether the terms of the Proposal and the Scheme are or are not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the SGM.

The Independent Financial Adviser will be appointed by the Independent Board Committee in due course to advise the Independent Board Committee in relation to the Proposal and the Scheme. An announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Benefits of the Proposal to the Scheme Shareholders

A unique liquidity event for Scheme Shareholders to fully monetise their Shares with a premium

In light of the prevailing market conditions and the challenges confronting the Hong Kong property sector, the Scheme presents an advantageous opportunity for the Scheme Shareholders. By offering an exit strategy of the Total Price at a substantial premium of approximately 62.84% and 54.55% over the closing price of the Shares on the Benchmark Date and the Last Trading Date, respectively, (among which, having the Cancellation Price at a substantial premium of approximately 43.68% and 36.36% over the closing price of the Shares on the Benchmark Date and the Last Trading Date, respectively), the Proposal enables minority shareholders to realise the value of their investments at a favourable price point. This unique liquidity event provides Scheme Shareholders with the opportunity to fully monetise their Shares at a premium. As the Group is to embark on a new cycle of long-term investment, it is important to acknowledge that while these initiatives are positioned for future growth, the anticipated returns may be less compelling in the current interest rate environment. The Proposal

allows Scheme Shareholders to evaluate whether to continue aligning with this strategic direction or to realise immediate value through the offered premium. The intention of the Offeror is to ensure that all minority shareholders are well-informed and empowered to make decisions that best suit their financial goals, while the Offeror remains committed to steering the Company towards sustainable growth and long-term success.

A compelling exit amidst challenging and uncertain market and regulatory conditions faced by the Group's businesses

(i) Property leasing revenues under serious pressure

The Group's principal business has been property leasing, development, and the provision of building management services in Hong Kong, along with property development in the PRC. Notably, revenue generated by property leasing contributes over 70% of the total revenues of the Group in the preceding three consecutive financial years (i.e. 2021, 2022, and 2023).

However, rental income of the Group has been declining. Between 2020 and 2023, leasing revenues have dropped by over 26%. Set out below is a summary since 2020.

	2020 <i>(Approx.)</i>	2021 <i>(Approx.)</i>	2022 <i>(Approx.)</i>	2023 <i>(Approx.)</i>
Property Leasing Revenue	HK\$478.48 million	HK\$418.92 million	HK\$376.13 million	HK\$351.68 million
Year-over-Year Change	-10.11%	-12.45%	-10.21%	-6.50%

All but one of the major properties held by the Group are in the Causeway Bay and Wanchai districts. These areas are traditionally benefited for being a renowned retail and commercial hub with high volume of customer flow. Nonetheless, the retail sector has been greatly impacted and may very well continue to be impacted by a number of factors, including global geopolitical tensions, declining global trade, high core inflation, intense competition from neighbouring cities in the Greater Bay Area and the rise of online shopping.

Market indicators affirm the declining trend. According to the Rating and Valuation Department of Hong Kong, the average monthly rent for the private retail sector on Hong Kong Island — where most of the Group's major investment properties are located — has decreased by approximately 7.91%, from approximately HK\$1,265 per square meter in 2021 to approximately HK\$1,165 per square meter in 2024. The Real Residential Property Prices Index (RRPPI) published by the Bank of International Settlements suggests that both the RRPPI for China and Hong Kong have shown a general downward trend since the third quarter of 2021. The RRPPI for China declined by nearly 14.38%, from 145.91 in the third quarter of 2021 to 124.93 in the third quarter of 2024. During the same period, the RRPPI for Hong Kong fell by over 31.35%, from 193.70 to 132.98.

Given these factors, performance of the Group's leasing segment is likely to encounter increasing pressure in the coming years. It remains uncertain when the market and the Group's leasing segment will experience a meaningful recovery. At the same time, this will mean negative impact on the cash flow position of the Group and consequential adverse impact on the financial capacity of the Group.

(ii) Challenges in asset realisation reduces profit generation opportunities

The deteriorating property markets have made it challenging for the Group to realise its asset value, limiting opportunities for mid-project sales, financing, or pre-sales of units. These trends would in turn affect its financial performance and business development going forward.

With regards to financial performance, the Company has been recording losses since 2020, mainly due to net fair value loss on investment properties. In particular, net fair value loss has increased from approximately HK\$464.27 million for the year ended 31 December 2022 to approximately HK\$1.21 billion for the year ended 31 December 2023, with this trend continuing into the first half of 2024 which recorded a net fair value loss on investment properties of HK\$1.32 billion.

Moreover, the decrease in market values and reduced liquidity of local properties have created difficulties for the Group to realise its underlying asset value through property redevelopment and sales. For examples, in 2022 the Group endeavoured to dispose of its interest in Haven Court, an 11-storey composite building with shops on the ground floor and residential upper parts in Causeway Bay, to an independent third party. The Group made use of its market knowledge and experience in site assembly and agreed to continue unifying the ownership of Haven Court for its buyer to sweeten the deal. Nonetheless, the buyer still defaulted at the end. The Group thereafter in 2024 offered to sell its interest in Haven Court together with the remaining interest held by the other owners of Haven Court pursuant to a compulsory auction sale ordered by the Lands Tribunal in 2024. No one made a bid at the auction despite the reserve price was fixed by the Lands Tribunal to be the fair market value of Haven Court with unified ownership. These incidents illustrate how difficult it would be to dispose of real estate property at its fair price in the current market.

This illiquid environment is particularly evident for commercial office buildings, which comprises the Group's core property portfolio. Buyers are increasingly selective especially given the difficulty in obtaining bank financing for real estate purchases in Hong Kong today.

(iii) Rising construction costs and capital expenditure

Property development segment had contributed revenues and brought growth to the Group. The Group plans to undertake two development projects, namely 42-44 Yiu Wa Street in Causeway Bay and 13-17 Wah Sing Street in Kwai Chung. Construction expenses will undoubtedly put strain on the Group's cash flows. Inflation, rising labour costs and building materials could potentially push up development costs even further. With an uncertain interest rate outlook, the Group will need to keep the option of raising funds from its shareholders open in the near future in order to maintain its gearing ratio at a comfortable level.

In other words, the Group may proceed to enter into an extended investment period to undertake these property development projects, during which immediate return to its shareholders could be worse than the preceding years.

(iv) Impact of proposed rental regulations on key investment properties

Among the investment properties of the Group, a significant portion consists of residential units in old buildings. The Hong Kong government is about to enact legislation to regulate rental increase for many of such properties if they are within the new definition of basic housing units. Statutory minimal standards and perimeters are expected to be set for these basic housing units. While the measures could improve the living environment of the residents, the Group contemplates that new expenses are inevitable to comply with the new requirements, which would also lead to higher maintenance costs, thereby adversely affecting the cash flow and returns generated from these property units in the Group's portfolio.

Challenges in maintaining dividend distribution similar to previous years

Given the above, it is unlikely that cash inflows to the Group would remain as strong as they were in previous years. Hence, it may be challenging for the Group to maintain the rate of cash dividend distribution in the next few years, thereby negatively impacting returns to Shareholders.

Hence, the Proposal would allow Scheme Shareholders the opportunity and the choice to fully liquidate their investment in the Company with a premium. Through this Scheme, Scheme Shareholders can monetise their investments for cash and redeploy the consideration received under the Scheme into other investment opportunities.

A unique and attractive opportunity for Scheme Shareholders to fully monetise their Shares

(i) Depressed Share price over a long period of time

The Proposal allows an exit for the Scheme Shareholders at a substantial premium to the current market price. The Total Price represents a significant premium of (i) approximately 62.84% over the closing price of the Shares on the Benchmark Date of HK\$5.22; (ii) approximately 59.47%, 58.58% and 57.12% over the average

closing price of approximately HK\$5.33, HK\$5.36 and HK\$5.41 per Share for the 30, 60 and 120 trading days up to and including the Benchmark Date; and (iii) approximately 54.55% over the closing price of HK\$5.50 per Share on the Last Trading Date, respectively, while the Cancellation Price represents a significant premium of (i) approximately 43.68% over the closing price of the Shares on the Benchmark Date of HK\$5.22; (ii) approximately 40.71%, 39.93% and 38.63% over the average closing price of approximately HK\$5.33, HK\$5.36 and HK\$5.41 per Share for the 30, 60 and 120 trading days up to and including the Benchmark Date; and (iii) approximately 36.36% over the closing price of HK\$5.50 per Share on the Last Trading Date, respectively.

Despite the persistently depressed Share price over the past two years immediately preceding this joint announcement, the Company faces constraints in boosting the stock value through share buybacks due to the minimum public float requirement with only a minimal 0.03% headroom.

Therefore, the Cancellation Price represents a unique and attractive opportunity for Scheme Shareholders.

(ii) Persistent historical discount to NAV per Share

The Shares have been persistently traded at discounts to the NAV per Share of approximately 90% since 2020. The Company is therefore unable to effect any meaningful equity capital fundraising without substantially diluting its NAV per Share. Partly as a result of this, the Company has not conducted any equity fund raising activities since 2012.

(iii) Low trading liquidity over a long period of time

The trading liquidity of the Shares has been at a low level over a long period of time. The average daily trading volume of the Shares for the average of 12-month period, 24-month period and 36-month period up to and including the Last Trading Date were approximately 38,642 Shares, 43,117 Shares and 42,390 Shares per day, respectively, representing only approximately 0.014%, 0.015% and 0.015% of the total issued Shares as at the Last Trading Date, respectively.

Given the low trading liquidity of the Shares, it is difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. Further, due to the very low liquidity of the Shares, the price of the Shares may not fully reflect the intrinsic value of the Company and devalues the investment of the Scheme Shareholders. As such, the Proposal presents an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the consideration received under the Scheme into other investment opportunities.

Low likelihood of an alternative offer

The Offeror and the Offeror Concert Parties, as founders of the Group, collectively owned almost 70% or more of the Company since 2005. Over the past two decades, there have been no significant investors apart from the Offeror and the Offeror Concert Parties in the Company.

Given this historical context, the Offeror is of the view that it is unlikely for minority Shareholders to receive an alternative proposal from other parties to monetise their investments in the Company.

Benefits of the Proposal to the Offeror and the Company

Limited benefits in maintaining the Company's listing status

The Company has not conducted any equity fund raising activities since 2012 due to the relatively low liquidity in the trading of the Shares, and the sluggish trading price of the Shares. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future.

Reducing costs and expenses of maintaining the Company's listing status while enabling the Offeror to run the business of the Group in a more efficient and effective way

The privatisation of the Company is expected to permit the Offeror to make strategic decisions focused on long-term growth and benefits, free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company.

The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibility to the Group to achieve long-term commercial development free from share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its business, including property assembly, property leasing, property development and provision of building management services.

The Offeror has no intention to have the Shares listed in other stock markets in the near future or to make major changes to the business of the Group and the employment of the employees of the Group, save for those changes which the Offeror may from time to time implement following the review of its strategy relating the business, structure and/or direction of the Group.

INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

The Offeror is a company incorporated in the BVI with limited liability which is wholly owned by Ko Bee. Ko Bee is a company incorporated in the BVI with limited liability which in turn, is wholly owned by a family discretionary trust whose beneficiaries include Madam Foo and her family members including but not limited to Ms. Chan Wai Ling, Mr. Chan Hing Tat and Ms. Winnie Chan. The trustee of this Madam Foo's family trust is Century Pine (PTC) Limited.

Full Match is a company incorporated in the BVI with limited liability which is wholly owned by Ko Bee.

Madam Foo is the founder of the Group and an executive Director and a director of certain subsidiaries of the Group. Madam Foo has extensive experience in the property market. She has been engaged in the property business in Hong Kong since early 1970s, particularly specialised in the acquisition of old buildings for redevelopment into commercial or residential buildings. Madam Foo is the mother of Ms. Chan Wai Ling, Mr. Chan Hing Tat and Ms. Winnie Chan.

Ms. Chan Wai Ling is the Deputy Chairman of the Company and an executive Director and a director of certain subsidiaries of the Group. She is in charge of the Hong Kong property department and is responsible for the property development and leasing of Hong Kong properties of the Group. She is the daughter of Madam Foo and the sister of Mr. Chan Hing Tat and Ms. Winnie Chan.

Mr. Chan Hing Tat is the Chairman of the Company and an executive Director and a director of certain subsidiaries of the Group. He is mainly responsible for the Group's business development. He is the son of Madam Foo and the brother of Ms. Chan Wai Ling and Ms. Winnie Chan.

Ms. Winnie Chan is the daughter of Madam Foo and the sister of Ms. Chan Wai Ling and Mr. Chan Hing Tat.

INFORMATION ON THE GROUP

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

Financial information

The following table is a summary of certain audited consolidated financial information of the Company for the two financial years ended 31 December 2022 and 31 December 2023, respectively, as extracted from the Company's annual report for the year ended 31 December 2023 and unaudited consolidated financial information of the Company for the six months ended 30 June 2023 and for the six months ended 30 June 2024, respectively, as extracted from the Company's interim reports for the six months ended 30 June 2023 and for the six months ended 30 June 2024:

	For the six months ended/ as at 30 June		For the year ended/ as at 31 December	
	2024	2023	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Total revenue	1,030,115	212,303	395,892	478,376
Loss before income tax	916,737	329,264	623,693	181,671
Loss for the period attributable to the equity holders of the Company	974,549	347,741	646,503	262,391
Total assets	19,487,610	22,043,827	21,000,233	22,222,956
Net assets	17,212,962	18,751,150	18,459,862	19,175,634

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, subject to the Scheme becoming effective, such withdrawal to take place immediately following the Effective Date. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the Court Meeting and the SGM, the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.

OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the overseas Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Anglo Chinese, the financial adviser to the Offeror in relation to the Proposal, that those laws and regulatory requirements have been complied with.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information

in the Scheme Document is made available to such Scheme Shareholders. As at 31 January 2025, there are four overseas Scheme Shareholders located in the PRC, Macau and the United Kingdom.

TAXATION ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Anglo Chinese or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the implementation of the Proposal.

SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, further details of the Special Dividend, an explanatory statement, the expected timetable relating to the Proposal, the recommendation of the Independent Board Committee, the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and notices of the Court Meeting and the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Listing Rules and applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the SGM.

DISCLOSURE OF DEALINGS

Associates (as defined in the Takeovers Code) (other than associates of the Offeror by virtue only of class (6) of the definition of “associate” under the Takeovers Code) of the Offeror and the Company (including shareholders holding 5% or more of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention

to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in any relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

The Offeror confirms that, as at the date of this joint announcement:

- (a) the Offeror or the Offeror Concert Parties have not received any irrevocable commitment to vote for or against the Scheme;
- (b) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror or the Offeror Concert Parties;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which may be material to the Proposal (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (d) save as disclosed in the section headed “Shareholding Structure of the Company”, none of the Offeror or the Offeror Concert Parties owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (e) none of the Offeror and the Offeror Concert Parties has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to and including the date of this joint announcement;
- (f) there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal;
- (g) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or the Offeror Concert Parties have borrowed or lent;
- (h) there is no understanding, arrangement, agreement or special deal between any Shareholder and the Offeror and/or the Offeror Concert Parties; and

- (i) save for the Cancellation Price to be paid by the Offeror and the Special Dividend to be paid by the Company, no consideration, compensation or benefit in whatever form is or will be provided by the Offeror or the Offeror Concert Parties to any of the Scheme Shareholders or any persons acting in concert with them in connection with the Proposal.

The Board and the Offeror confirm that, as at the date of this joint announcement, there is no understanding, agreements, arrangement or special deal between (a) any Shareholder and (b)(i) the Company, its subsidiaries or associated companies or (b)(ii) the Offeror and/or the Offeror Concert Parties.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 2:52 p.m. on 14 February 2025, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 10 March 2025.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set forth below unless the context requires otherwise.

- “acting in concert” has the meaning given to it under the Takeovers Code
- “Anglo Chinese” Anglo Chinese Corporate Finance, Limited, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which is the financial adviser to the Offeror in respect with the Proposal
- “associate(s)” has the meaning given to it under the Takeovers Code
- “Authorisations” all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers and consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals (including without limitation any which are required or desirable under or in connection with any applicable laws and regulations or any licenses, permits or contractual obligations of the Company), and all appropriate waiting periods (including extensions thereof), in connection with the Proposal
- “Benchmark Date” 12 February 2025, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Cancellation Price”	a price of HK\$7.5 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Soundwill Holdings Limited, an exempted company incorporated in Bermuda with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 878)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme, as set out in the section headed “Conditions of the Proposal and the Scheme” of this joint announcement
“Court”	the Supreme Court of Bermuda
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Court, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Scheme Share(s)”	Scheme Shares held by the Disinterested Scheme Shareholders
“Disinterested Scheme Shareholder(s)”	Scheme Shareholder(s) other than the Offeror and the Offeror Concert Parties
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Full Match”	Full Match Limited, a company incorporated in the BVI with limited liability and wholly-owned by Ko Bee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company (comprising all the independent non-executive Directors) formed to advise the Disinterested Scheme Shareholders on the Proposal
“Ko Bee”	Ko Bee Limited, a company incorporated in the BVI with limited liability, is wholly owned by a family discretionary trust whose beneficiaries include Madam Foo and her family members including but not limited to Ms. Chan Wai Ling, Mr. Chan Hing Tat and Ms. Winnie Chan
“Last Trading Date”	14 February 2025, being the last trading day prior to the suspension of trading of Shares pending the issue of this joint announcement
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange
“Long Stop Date”	7 March 2026 or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Court may direct and, in all cases, as permitted by the Executive and/or the Court
“Madam Foo”	Madam Foo Kam Chu Grace
“Meeting Record Date”	the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the SGM
“NAV”	net asset value attributable to the Shareholders
“Offeror”	Earning Ease Limited, a company incorporated in the BVI with limited liability and wholly-owned by Ko Bee
“Offeror Concert Party(ies)”	the persons acting, or presumed to be acting, in concert with the Offeror in relation to the Company, including (a) Madam Foo, (b) Ko Bee, (c) Full Match, (d) Century Pine (PTC) Limited, the trustee of Madam Foo’s family trust, (e) Ms. Chan Wai Ling, daughter of Madam Foo (f) Mr. Chan Hing Tat, son of Madam Foo and (g) Ms. Winnie Chan, daughter of Madam Foo
“PRC”	the People’s Republic of China (for this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)

“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the arrangement in relation to the Special Dividend as described in this joint announcement and on terms and conditions to be set out in the Scheme Document
“Record Date”	the record date for the purpose of (i) determining entitlements of the Scheme Shareholders under the Scheme to receive the Cancellation Price and (ii) determining the entitlements of the Shareholders to receive the Special Dividend under the Proposal
“Registrar of Companies”	the Registrar of Companies in Bermuda
“Relevant Authorities”	the competent governments and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	a scheme of arrangement to be proposed under section 99 of the Companies Act between the Company and the Scheme Shareholders involving cancellation of all the Scheme Shares, with or subject to any modification, addition or condition which may be approved or imposed by the Court
“Scheme Document”	the scheme document to be issued by the Company to the Shareholders in relation to the Scheme and the Proposal
“Scheme Share(s)”	all Shares in issue and such further Share(s) as may be issued prior to the Record Date, other than those held by the Offeror, Madam Foo, Ko Bee and Full Match
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held immediately following the Court Meeting to consider all necessary resolutions for, amongst other things, the implementation of the Proposal (including the Scheme and the Special Dividend), or any adjournment thereof
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Special Dividend”	the special dividend of HK\$1.0 in cash for each Share to be paid by the Company to the Shareholders whose names appear on the register of members of the Company on the Record Date subject to (i) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC as amended from time to time
“Total Price”	the cash amount representing the aggregate of the Cancellation Price and the Special Dividend, being a total of HK\$8.5
“%”	per cent.

By order of the board of
EARNING EASE LIMITED
Foo Kam Chu Grace
Director

By order of the board of
SOUNDWILL HOLDINGS LIMITED
Chan Hing Tat
Chairman

Hong Kong, 7 March 2025

As at the date of this joint announcement, the Board 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are FOO Kam Chu Grace, CHAN Hing Tat and TAN Benny Min Tack.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

* *For identification purpose only*