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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**

**CLARIFICATION ANNOUNCEMENT
AND
PROGRESS UPDATE
IN RELATION TO
THE AUCTION**

Reference is made to the announcements of Soundwill Holdings Limited (the “**Company**”) dated 2 April 2024, 17 April 2024, 24 April 2024, 29 April 2024, 14 May 2024, 22 May 2024 and 30 May 2024 (the “**Announcements**” and each an “**Announcement**”), and the circular of the Company dated 24 May 2024 (the “**Circular**”), all of which relate to the Auction and/or the Further Auction of the Lot. Unless otherwise stated, terms defined in the Circular shall have the same meanings when used herein.

Clarification

In the Announcements dated 14 May 2024 and 22 May 2024 and the Circular, it has been announced and disclosed that, on 14 May 2024, the Lands Tribunal accepted the Time Extension Application and ordered there be an extension of time for three additional months from 29 May 2024 to 29 August 2024 in respect of the Sale Order (the “**Time Extension Order**”).

The Company, via its Hong Kong legal advisers, has been informed by the Lands Tribunal that the Lands Tribunal did not grant such Time Extension Order on 14 May 2024 and the Lands Tribunal only expressed there would be a high chance for granting the Time Extension Order. However, the true intention of the Lands Tribunal, on 14 May 2024, was to adjourn all issues, including the Time Extension Application, to be heard and determined on 30 May 2024, which its ruling was further reserved to 31 May 2024.

Accordingly, the Company would like to clarify that, on 14 May 2024, the Lands Tribunal did not rule on the Time Extension Application and did not grant the Time Extension Order.

The Company confirms that, save for the aforementioned, all other information and contents set out in the Announcements dated 14 May 2024 and 22 May 2024 and the Circular remain unchanged.

On 14 May 2024, the Company misconceived that the Lands Tribunal has ruled on the Time Extension Application and has granted the Time Extension Order. Such misconception is mainly attributable to the facts that (i) the Company was informed by its Hong Kong legal advisers that they understood and perceived the Lands Tribunal granted the Time Extension Order at the hearing on 14 May 2024 and that its Hong Kong legal advisers drawn up draft order of what the Lands Tribunal ordered and directed on 14 May 2024 with the Time Extension Order incorporated for the Lands Tribunal to approve; and (ii) at the hearing on 14 May 2024, it was submitted to the Lands Tribunal that as the hearing of the Reserve Price Adjustment Application would have to be adjourned to a later date (which was fixed to 30 May 2024) while the 3-month validity period of the Sale Order would expire by 29 May 2024, it would be prudent to extend the validity period in the meantime to avoid potential issues and argument that there would be no basis to adjust the Reserve Price after the validity period might have expired and thus the Hong Kong legal advisers of the Company and thence also the Company perceived an understanding that Time Extension Order was granted when the Lands Tribunal was to continue to hear the Reserve Price Adjustment Application at a day after the 3-month validity period.

Progress update in relation to the hearing

The Board would like to provide the Shareholders and potential investors with a progress update in relation to the auction of Haven Court. The Lands Tribunal has handed down its ruling on 31 May 2024, pursuant to which it has ruled against the Reserve Price Adjustment Application and has refused to refix the Reserve Price as, among other reason(s), it is not persuaded that there has been a significant fall in property prices after the Reserve Price has been set, but has granted the Time Extension Order (subject to there being no change to the Reserve Price) (the “**Rulings**”). As a result, subject to the aforesaid condition, the Sale Order will remain valid until 29 August 2024. Despite the grant of the Time Extension Order, no direction has been made by the Lands Tribunal to conduct the Further Auction at the Reserve Price. As advised by the Hong Kong legal advisers, on the foregoing basis, the Company is not obliged to conduct the Further Auction.

The Company is currently seeking advice from its Hong Kong legal advisers and is considering the possibility to appeal against the Rulings made by the Lands Tribunal.

The Board would like to emphasize that, despite the Rulings, the SGM scheduled on 14 June 2024 will still be convened given that the Company may appeal against the Rulings made by the Lands Tribunal, and if such appeal is successful, the Further Auction may take place and the Possible Discloseable Transaction or the Possible Very Substantial Disposal may still proceed. Accordingly, the Company wishes to obtain the Mandate for the Possible Very Substantial Disposal which will be valid for twelve (12) months from the date of the Shareholders’ approval.

The Company will pay close attention to the progress of the above-mentioned matter and will publish further announcement(s) to update its Shareholders and potential investors as and when appropriate and in accordance with the Listing Rules.

WARNING

As the Company has not filed an appeal up to the date of this announcement, and that the appeal may not be successful, there is no guarantee that the Further Auction will take place. As the Further Auction has yet to be taken place and there are various factors that could affect the bid at the Further Auction, the Possible Discloseable Transaction or the Possible Very Substantial Disposal may or may not proceed. Accordingly, the Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 May 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*