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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of the Proposal, the Scheme, this Scheme Document and/or the accompanying forms of proxy or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Soundwill Holdings Limited, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document and the accompanying forms of proxy.

This Scheme Document should be read in conjunction with the accompanying forms of proxy, the contents of which form part of the terms and conditions of the Proposal and the Scheme. This Scheme Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

This Scheme Document appears for information purposes only and does not constitute an invitation or offer to purchase or subscribe for securities of the Offeror or Soundwill Holdings Limited.

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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)

**(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;  
AND  
(3) PROPOSED SPECIAL DIVIDEND**

Financial Adviser to the Offeror

**ANGLO CHINESE**  
CORPORATE FINANCE, LIMITED  
英高

Independent Financial Adviser to the Independent Board Committee

**ALTUS CAPITAL LIMITED**

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Unless the context otherwise requires, capitalised terms used in this Scheme Document have the meanings set out in Part I of this Scheme Document.

A letter from the Board is set out in Part III of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Scheme Shareholders in respect of the Proposal and the Scheme is set out in Part IV of this Scheme Document. A letter from Altus Capital, the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme is set out in Part V of this Scheme Document. An Explanatory Statement regarding the Proposal and the Scheme is set out in Part VI of this Scheme Document.

Notices convening the Court Meeting and the SGM to be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on 23 May 2025 at 11:00 a.m. and 11:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the SGM, you are strongly urged to complete and sign the enclosed **Pink** form of proxy in respect of the Court Meeting and the enclosed **White** form of proxy in respect of the SGM, in accordance with the instructions printed on them respectively, and to deposit them at the Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated under the section headed "IMPORTANT NOTICE AND ACTIONS TO BE TAKEN" of this Scheme Document. The **White** form of proxy in respect of the SGM will not be valid if it is not so lodged. The **Pink** form of proxy in respect of the Court Meeting may alternatively be handed to the chairman of the Court Meeting at the Court Meeting if it is not so deposited and the chairman shall have absolute discretion as to whether or not to accept it. Completion and return of a form of proxy for the Court Meeting and/or the SGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

This Scheme Document is issued jointly by Earning Ease Limited and Soundwill Holdings Limited.

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

\* For identification purpose only

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## **IMPORTANT NOTICE AND ACTIONS TO BE TAKEN**

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### **ACTIONS TO BE TAKEN BY SHAREHOLDERS**

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the SGM are enclosed with this Scheme Document sent to the Shareholders.

Whether or not you are able to attend the Court Meeting and/or the SGM, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the SGM in accordance with the instructions printed on them respectively, and to deposit them at the Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

**In order to be valid, the pink form of proxy for use in connection with the Court Meeting should be lodged not later than 11:00 a.m. on Wednesday, 21 May 2025. Alternatively, the pink form of proxy may be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. The white form of proxy for use in connection with the SGM must be lodged not later than 11:30 a.m. on Wednesday, 21 May 2025, failing which it will not be valid. The completion and return of the relevant form of proxy will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish and in such event, the relevant form of proxy will be revoked by operation of law.**

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the SGM, you will still be bound by the outcome of the Court Meeting and/or the SGM. You are therefore strongly encouraged to attend and vote at the Court Meeting and/or the SGM in person or by proxy.

Voting at the Court Meeting and the SGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

#### **Announcement of results of Court Meeting and the SGM**

An announcement will be made by the Company in relation to the results of the Court Meeting and the SGM by no later than 7:00 p.m. on Friday, 23 May 2025. If all of the requisite resolutions are passed at those meetings, further announcement(s) will be made in relation to, among other things, the results of the Court Hearing of the petition to sanction the Scheme, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

#### **Shareholders who have sold/transferred their Shares should hand this Scheme Document and forms of proxy to purchaser/transferee**

If you have sold or transferred all of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## **IMPORTANT NOTICE AND ACTIONS TO BE TAKEN**

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Shareholders and potential investors of the Company are advised to read this Scheme Document carefully, in particular, (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from Altus Capital in Part V of this Scheme Document, before voting at the Court Meeting and/or the SGM.

### **Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS**

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (i) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant regarding voting instructions to be given to such persons; or
- (ii) become a Registered Owner as at the Meeting Record Date by arranging for some or all of such Shares to be withdrawn from CCASS and transferred into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on Monday, 19 May 2025 with the Share Registrar, Tricor Investor Services Limited, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the SGM.

The procedures for voting by the Investor Participants and other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of HKSCC” and the “HKSCC Operational Procedures” in effect from time to time.

### **Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner other than HKSCC Nominees Limited**

The Company will not recognise any person as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depositary or any other authorised custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the SGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the SGM personally, you should:

- (i) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the SGM and, for such purpose, the Registered Owner may appoint you as his/her proxy; or

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## **IMPORTANT NOTICE AND ACTIONS TO BE TAKEN**

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- (ii) become a Registered Owner as at the Meeting Record Date by arranging for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on Monday, 19 May 2025 with the Share Registrar, Tricor Investor Services Limited, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the SGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the SGM or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her forms of proxy or transfer documents accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the SGM or, as applicable, the latest time for lodging transfer of Shares, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the SGM shall be made in accordance with all relevant provisions in the bye-laws of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the SGM will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she so wish, and in such event, the relevant form of proxy will be revoked by operation of law.

### **EXERCISE YOUR RIGHT TO VOTE**

**If you are a Shareholder or a Beneficial Owner whose Shares are held by a Registered Owner (including HKSCC Nominees Limited), you are strongly encouraged to exercise your right to vote (in the case of a Shareholder) or to give instructions to the relevant Registered Owner (in the case of a Beneficial Owner) to vote in person or by proxy at the Court Meeting and/or the SGM. If you keep any Shares in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.**

**If you are a Beneficial Owner whose Shares are deposited in CCASS, you are strongly encouraged to withdraw at least some of your Shares from CCASS and become a Registered Owner of such Shares and exercise your right to vote, in person or by proxy, at the Court Meeting and/or the SGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of Shares into your name so**

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## **IMPORTANT NOTICE AND ACTIONS TO BE TAKEN**

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as to qualify to attend and vote at the Court Meeting and/or the SGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

In respect of any Shares of which you are the Beneficial Owner and which remain in CCASS, you are encouraged to contact your broker, custodian, nominee or other relevant person regarding voting instructions in relation to the manner in which those Shares should be voted at the Court Meeting and/or the SGM without delay.

Only Scheme Shareholders whose Scheme Shares are registered in their own names in the register of members of the Company as at the Meeting Record Date may attend and vote, in person or by proxy, at the Court Meeting and be counted as members of the Company for the purpose of calculating whether or not a majority in number of members of the Company have approved the Scheme at the Court Meeting under section 99 of the Companies Act. In accordance with the directions from the Court, HKSCC Nominees Limited will be counted as one Scheme Shareholder and may vote for or against the Scheme according to the majority of voting instructions as represented by the Scheme Shares it receives. The number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be disclosed to the Court and may be taken into account by the Court in determining whether or not the Court should exercise its discretion to sanction the Scheme. Beneficial Owners who wish to individually vote or be counted for purposes of calculating whether or not a majority in number of members of the Company have approved the Scheme at the Court Meeting under section 99 of the Companies Act should make arrangements to become a Registered Owner of some or all of their Shares prior to the Meeting Record Date.

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote and that Beneficial Owners should consider transferring some or all their Shares into their names if they wish to be counted individually for the purposes of the headcount test.

### **NOTICE TO OVERSEAS SCHEME SHAREHOLDERS**

The making of the Proposal to certain Scheme Shareholders may be subject to the laws of jurisdictions other than Hong Kong. Scheme Shareholders and Beneficial Owners residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of Scheme Shareholders and Beneficial Owners to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Proposal, as the case may be, including obtaining any governmental, exchange control or other consents which may be required, and compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions.

Any action taken by such Scheme Shareholders or Beneficial Owners in respect of the Proposal will be deemed to constitute a representation and warranty from such persons to the Company and the Offeror that those local laws and requirements have been complied with.

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## **IMPORTANT NOTICE AND ACTIONS TO BE TAKEN**

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Scheme Shareholders and Beneficial Owners residing in jurisdictions other than Hong Kong should consult their professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be.

Overseas Scheme Shareholders and Beneficial Owners are advised to read the section headed “17. OVERSEAS SCHEME SHAREHOLDERS” in the Explanatory Statement in Part VI of this Scheme Document for further information.

**IF APPROVED AND IMPLEMENTED, THE PROPOSAL 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. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

### **ENQUIRIES CONCERNING ADMINISTRATIVE MATTERS**

If you have any enquiries concerning administrative or procedural matters (such as dates, documentation and procedures) relating to the Court Meeting and/or the SGM, please call the customer service hotline of the Share Registrar at +852 2980 1333 between 9:00 a.m. and 6:00 p.m. on Mondays to Fridays, excluding Hong Kong public holidays.

The hotline cannot and will not provide advice on the merits of the Proposal and/or the Scheme or give financial or legal advice or as to how to vote at the Court Meeting and/or SGM (as appropriate). If you are in any doubt as to any aspect of this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

### **PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group. This Scheme Document may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions and you should not place undue reliance on such forward-looking statements and opinions. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of the Offeror, the Company, Anglo Chinese, Altus Capital, any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other person involved in the Proposal assumes any obligation to correct or update the forward-looking statements or opinions contained in this Scheme Document.

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*In this Scheme Document, the following expressions have the meanings set out below unless the context requires otherwise.*

“acting in concert”	has the meaning given to it under the Takeovers Code
“Adjusted NAV”	the unaudited consolidated net asset value attributable to Shareholders as at 31 December 2024 as adjusted by the effect of revaluation deficit arising from the valuation of certain property interests of the Group, the details of which are set out in the section headed “5. Property Interests and Adjusted NAV” in Appendix I to this Scheme Document
“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
“Announcement Date”	7 March 2025, being the date of the Joint Announcement
“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
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Owner(s)
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant, general clearing participant, a custodian participant or an Investor Participant
“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 “3. CONDITIONS OF THE PROPOSAL AND THE SCHEME” in the Explanatory Statement in Part VI of this Scheme Document
“Court”	the Supreme Court of Bermuda
“Court Hearing”	the hearing of the petition by the Court for the sanction of the Scheme
“Court Meeting”	the meeting of the Scheme Shareholders convened at the directions of the Court to be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Friday, 23 May 2025 at 11:00 a.m., notice of which is set out in Appendix V to this Scheme Document, at which the Scheme (with or without modifications) 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 and the Conditions

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Explanatory Statement”	the explanatory statement set out in Part VI of this Scheme Document issued in compliance with section 100 of the Companies Act
“Full Match”	Full Match Limited, a company incorporated in 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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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, namely Mr. Chan Kai Nang, Mr. Pao Ping Wing and Mr. Young Chun Man, Kenneth) which has been established to advise the Disinterested Scheme Shareholders on the Proposal
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in relation to the Proposal
“Investor Participant(s)”	person(s) admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Joint Announcement”	the joint announcement published by the Offeror and the Company on 7 March 2025 in relation to the Proposal
“Ko Bee”	Ko Bee Limited, a company incorporated in 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 in the Shares on the Stock Exchange immediately before the publication of the Joint Announcement

“Latest Practicable Date”	25 April 2025, being the latest practicable date prior to the despatch of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“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”	23 May 2025 or such other date as shall have been announced to the Shareholders, being 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 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 Scheme Document, 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 Scheme Document on the terms and conditions set out in the Scheme Document
“Record Date”	2 June 2025 or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining (i) the entitlements of the Scheme Shareholders under the Scheme to receive the Cancellation Price and (ii) the entitlements of the Shareholders to receive the Special Dividend under the Proposal

“Registered Owner(s)’’	any person (including without limitation, a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the register of members of the Company as the holder of the Shares
“Registrar of Companies”	the Registrar of Companies in Bermuda
“Relevant Authorities”	the competent governments and/or governmental bodies, regulatory bodies, courts or institutions
“Relevant Period”	the period commencing on 7 September 2024, being the date falling six months prior to the Announcement Date, and ending on the Latest Practicable Date (both days inclusive)
“Scheme”	the scheme of arrangement between the Company and the Scheme Shareholders under section 99 of the Companies Act, involving among other things the 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”	this composite scheme document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time
“Scheme Share(s)”	all Share(s) 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 held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Friday, 23 May 2025 at 11:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) for the purpose of passing all necessary resolutions for, among other things, the implementation of the Proposal, notice of which is set out in Appendix VI to this Scheme Document, or any adjournment thereof
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Share Registrar”	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the Company’s branch share registrar and transfer office in Hong Kong
“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
“Stamp Duty Ordinance”	Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“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.

*The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. All references in this Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected date of the Court Hearing and the Effective Date which are the relevant times and dates in Bermuda. For reference only, Bermuda time is 11 hours behind Hong Kong time as at the date of this Scheme Document.*

**Hong Kong time  
(unless otherwise stated)**

Date of despatch of this Scheme Document ..... Wednesday, 30 April 2025

Latest time for lodging transfers of Shares to qualify  
for the entitlements to attend and vote at the Court  
Meeting and the SGM ..... 4:30 p.m. on  
Monday, 19 May 2025

Closure of the register of members of the Company for  
determining the entitlements to attend and vote at  
the Court Meeting and the SGM<sup>(1)</sup> ..... from Tuesday, 20 May 2025  
to Friday, 23 May 2025  
(both days inclusive)

Latest time for lodging forms of proxy in respect of:

Court Meeting<sup>(2)</sup> ..... 11:00 a.m.  
on Wednesday, 21 May 2025  
(or it may alternatively be handed to  
the chairman of the Court Meeting)

SGM<sup>(2)</sup> ..... 11:30 a.m.  
on Wednesday, 21 May 2025

Meeting Record Date for determining the entitlements  
to attend and vote at the Court Meeting and the  
SGM ..... Friday, 23 May 2025

Court Meeting<sup>(2) & (3)</sup> ..... 11:00 a.m.  
on Friday, 23 May 2025

SGM<sup>(2) & (3)</sup> ..... 11:30 a.m.  
on Friday, 23 May 2025  
(or immediately after the conclusion or  
adjournment of the Court Meeting)

	<b>Hong Kong time (unless otherwise stated)</b>
Announcement of the results of the Court Meeting and the SGM, published on the website of the Stock Exchange . . . . .	not later than 7:00 p.m. on Friday, 23 May 2025
Expected latest time for trading in the Shares on the Stock Exchange . . . . .	4:10 p.m. on Monday, 26 May 2025
Latest time for lodging transfers of Shares in order to qualify for the entitlements under the Scheme . . . . .	4:30 p.m. on Thursday, 29 May 2025
Closure of the register of members for determining the entitlements under the Scheme and the entitlements for the Special Dividend <sup>(4)</sup> . . . . .	from Friday, 30 May 2025 onwards
Court Hearing . . . . .	Friday, 30 May 2025 <i>(Bermuda time)</i>
Announcement of (1) the results of the Court Hearing, (2) the expected Effective Date (3) the expected date of the withdrawal of the listing of the Shares on the Stock Exchange, published on the Stock Exchange's website . . . . .	on or before 8:30 a.m. on Monday, 2 June 2025
Record Date . . . . .	Monday, 2 June 2025
Effective Date <sup>(5)</sup> . . . . .	Monday, 2 June 2025 <i>(Bermuda time)</i>
Announcement of (1) the Effective Date and (2) the withdrawal of listing of Shares on the Stock Exchange published on the Stock Exchange's website . . . . .	no later than 8:30 a.m. on Tuesday, 3 June 2025
Expected withdrawal of listing of Shares on the Stock Exchange . . . . .	4:00 p.m. on Wednesday, 4 June 2025
Latest date to despatch cheques for the cash payment to the Scheme Shareholders <sup>(6)</sup> . . . . .	on or before Wednesday, 11 June 2025

*Notes:*

- (1) The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the SGM and no transfer of Shares will be registered during such period. For the avoidance of doubt, this period of closure is not for determining the entitlements under the Scheme.
- (2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the SGM must be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than the times and dates stated above. If the **pink** form of proxy in respect of the Court Meeting is not so lodged, it may alternatively be handed to the Chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **white** form of proxy in respect of the SGM will not be valid if it is not so lodged. Completion and return of a form of proxy for the Court Meeting or the SGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he/she so wishes. In such event, the proxy will be revoked by operation of law.
- (3) If a tropical cyclone warning signal No.8 or above is or is expected to be hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is or is expected to be in force at any time after 7:00 a.m. on the date of the Court Meeting and the SGM, the Court Meeting and the SGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the rescheduled meetings.
- (4) The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders who are qualified for the entitlements under the Scheme and the Shareholders who are qualified for the entitlements to the Special Dividend and no transfer of Shares will be registered during such period.
- (5) The Scheme will become effective upon all the Conditions set out in the section headed “3. CONDITIONS OF THE PROPOSAL AND THE SCHEME” in the Explanatory Statement in Part VI of this Scheme Document having been fulfilled or waived (as applicable). Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective. The withdrawal of listing of Shares will take place following the Scheme becoming effective and it is expected that the listing of Shares will be withdrawn at 4:00 p.m. on Wednesday, 4 June 2025. All of the Conditions will have to be fulfilled or waived (as applicable) on or before 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) (i.e. the Long Stop Date), failing which the Proposal and the Scheme will lapse.
- (6) Cheques for the payment of the Cancellation Price and the Special Dividend of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to the Scheme Shareholders at their respective addresses as appearing in the register of members of the Company as at the Record Date or, in the case of joint holders, at the address appearing in the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding as soon as possible but in any event no later than seven Business Days following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Anglo Chinese, Altus Capital and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.



## SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司 \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

*Executive Directors:*

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

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-executive Directors:*

CHAN Kai Nang  
PAO Ping Wing  
YOUNG Chun Man, Kenneth

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

30 April 2025

To the Shareholders

Dear Sir or Madam,

**(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;  
AND  
(3) PROPOSED SPECIAL DIVIDEND**

\* For identification purpose only

## **1. INTRODUCTION**

On 7 March 2025, the Offeror and the Company jointly announced 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.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Special Dividend and the expected timetable as well as to give you notices of the Court Meeting and the SGM (together with proxy forms in relation thereto). Your attention is drawn to the following sections of this Scheme Document: (i) the letter from the Independent Board Committee set out in Part IV; (ii) the letter from Altus Capital set out in Part V; (iii) the Explanatory Statement set out in Part VI; and (iv) the terms of the Scheme set out in Appendix IV to this Scheme Document.

## **2. TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented, all the Scheme Shares will be cancelled and the Scheme Shareholders will receive the Total Price of HK\$8.5 for each Scheme Share, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror under the Scheme, and (ii) the Special Dividend of HK\$1.0<sup>(Note)</sup> 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 Latest Practicable Date, 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 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.

*Note:* The declaration of the Special Dividend of HK\$1.0, which forms part of the Total Price, is subject to (i) the passing of an ordinary resolution at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions. Having said that, Ko Bee (which, together with Full Match, holds 212,305,028 Shares representing approximately 74.94% of the issued Shares as at the Latest Practicable Date) has irrevocably undertaken to vote in favor of the ordinary resolution at the SGM to approve the Special Dividend and hence the Special Dividend will be paid if the Scheme becomes effective. For further details, please refer to section headed “6. Special Dividend” in the Letter from the Board in this Scheme Document.

As at the Latest Practicable Date, (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).

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, the audited consolidated NAV and Adjusted NAV:

Comparison Metric	Price/NAV per Share HK\$ (approx.)	Percentage of Premium or (Discount) represented by the Cancellation Price %	Percentage of Premium or (Discount) represented by the Total Price %
<b>Closing price on the Benchmark Date</b>	<b>5.22</b>	<b>43.68</b>	<b>62.84</b>
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
<b>Closing price on the Last Trading Date</b>	<b>5.5</b>	<b>36.36</b>	<b>54.55</b>
<b>Closing price on the Latest Practicable Date</b>	<b>8.04</b>	<b>(6.72)</b>	<b>5.72</b>
<b>Audited consolidated NAV per Share as at</b>			
<b>31 December 2024</b>	<b>55.33</b>	<b>(86.44)</b>	<b>(84.64)</b>
<b>Adjusted NAV per Share</b>	<b>56.69</b>	<b>(86.77)</b>	<b>(85.01)</b>

Total Price has been determined on a commercial basis after taking into account key factors, including recent and historical traded prices of the Shares, the financial performance of the Group, trading multiples of four comparable companies listed on the Stock Exchange with a similar business model and a net asset value attributable to shareholders between HK\$5 billion and HK\$30 billion, and the factors as set out in the section headed “9. REASONS FOR AND BENEFITS OF THE PROPOSAL” in the Explanatory Statement in Part VI of this Scheme Document, including the challenges of the prevailing property market that are perceived as structural changes in the property market rather than temporary cyclical fluctuations, which may take substantial time to improve. Shareholders are advised to read the Explanatory Statement in Part VI of this Scheme Document for further details of the Scheme.

**3. FINANCIAL RESOURCES**

As at the Latest Practicable Date, the total issued share capital of the Company comprises 283,308,635 Shares.

On the assumption that no further Shares will be 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.

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.

**4. CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of all the Conditions on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

For details of the Conditions, your attention is drawn to the section headed "3. CONDITIONS OF THE PROPOSAL AND THE SCHEME" in the Explanatory Statement in Part VI of this Scheme Document.

**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.

## 5. SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon the Scheme becoming effective.

	As at the Latest Practicable Date		Upon the Scheme becoming effective	
	Approximate % of the issued share		Approximate % of the issued share	
	Number of Shares	capital of the Company <sup>(5)</sup>	Number of Shares	capital of the Company <sup>(5)</sup>
The Offeror <sup>(1)</sup>	—	—	70,907,005	25.03%
The Offeror Concert Parties not subject to the Scheme				
— Foo Kam Chu Grace <sup>(2)</sup>	96,602	0.03%	96,602	0.03%
— Ko Bee Limited <sup>(3)</sup>	209,919,028	74.10%	209,919,028	74.10%
— Full Match Limited <sup>(4)</sup>	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>283,308,635</u>	<u>100%</u>	<u>283,308,635</u>	<u>100%</u>

Notes:

- (1) The Offeror is a company incorporated in 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.

**6. 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 as of 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 Latest Practicable Date) has irrevocably 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) to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend. As at the Latest Practicable Date, each of the Offeror and the Company is not aware of any requirement under the Takeovers Code, the Listing Rules and applicable laws and regulations that would restrict Ko Bee and/or Full Match from voting in favour of the aforesaid resolution. Accordingly, Ko Bee shall fulfill its legal commitments undertaken in the undertaking to vote in favour of the aforesaid resolution, so that the Special Dividend will be approved at the SGM, and subject to the Scheme becoming binding and effective in accordance with its terms and conditions, the Special Dividend will be paid to the Shareholders whose name appear on register of members of the Company as of the Record Date.

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.

**7. REASONS FOR AND BENEFITS OF THE PROPOSAL**

Your attention is drawn to the section headed “9. REASONS FOR AND BENEFITS OF THE PROPOSAL” in the Explanatory Statement in Part VI of this Scheme Document.

**8. 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.

## **9. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES**

The Offeror is a company incorporated in BVI with limited liability which is wholly owned by Ko Bee. Ko Bee is a company incorporated in 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 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.

## **10. INTENTIONS OF THE OFFEROR WITH REGARD TO THE GROUP**

Your attention is drawn to the section headed "10. INTENTIONS OF THE OFFEROR WITH REGARD TO THE GROUP" in the Explanatory Statement in Part VI of this Scheme Document.

The Board welcomes the intentions of the Offeror in respect of the Group and its employees and will cooperate with and provide full support to the Offeror to facilitate the continued smooth business operations and management of the Group.

**11. INDEPENDENT BOARD COMMITTEE**

The Board has established 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, 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 full text of the letter from the Independent Board Committee is set out in the “Letter from the Independent Board Committee” in Part IV of this Scheme Document.

**12. INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Altus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal. Such appointment has been approved by the Independent Board Committee.

The full text of the letter from the Independent Financial Adviser is set out in the “Letter from Altus Capital” in Part V of this Scheme Document.

**13. WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares 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, immediately following the Effective Date.

**14. IF THE PROPOSAL IS NOT APPROVED OR LAPSES**

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn and the Special Dividend will not be paid if the Scheme does not become effective or the Proposal otherwise lapses, in which case the Board expects that the Company will continue to meet the minimum public float requirements under the Listing Rules given that there will be no cancellation of Scheme Shares and assuming there is no change in the shareholding of the Company.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of 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.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code. Since the Independent Board Committee and the Independent Financial Adviser have both recommended the Proposal, the Company and the Offeror have agreed that each party shall bear their own costs, charges and expenses of and incidental to the Scheme and the Proposal.

## **15. COURT MEETING AND SGM**

Notices convening the Court Meeting and the SGM to be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Friday, 23 May 2025 at 11:00 a.m. and 11:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting), respectively, are set out in Appendix V and Appendix VI to this Scheme Document.

The Court has directed the Court Meeting to be convened and held for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme. The Scheme is subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in Condition (a) in the section headed “3. CONDITIONS OF THE PROPOSAL AND THE SCHEME” in the Explanatory Statement in Part VI of this Scheme Document. The Scheme must also be sanctioned by the Court as required by section 99 of the Companies Act.

Immediately after the conclusion or adjournment of the Court Meeting, the SGM will be held for the purpose of considering and, if thought fit, passing a special resolution for the implementation of the Proposal in the manner referred to in Condition (b) in the section headed “3. CONDITIONS OF THE PROPOSAL AND THE SCHEME” in the Explanatory Statement in Part VI of this Scheme Document and an ordinary resolution for the approval of the Special Dividend.

An announcement will be made by the Company in relation to the results of the Court Meeting and the SGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code.

## **16. OVERSEAS SCHEME SHAREHOLDERS**

Your attention is drawn to the section headed “17. OVERSEAS SCHEME SHAREHOLDERS” in the Explanatory Statement in Part VI of this Scheme Document.

## **17. ACTIONS TO BE TAKEN**

Your attention is drawn to the section headed “IMPORTANT NOTICE AND ACTIONS TO BE TAKEN” of this Scheme Document for details of the actions you should take as a Shareholder, as a Beneficial Owner whose Shares are held by a Registered Owner, as a Beneficial Owner whose Shares are deposited in CCASS.

**18. RECOMMENDATIONS**

Your attention is drawn to (i) the recommendations of the Independent Board Committee in respect of the Proposal and the Scheme as set out in the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme as set out in the letter from Altus Capital in Part V of this Scheme Document which sets out the factors and reasons taken into account by Altus Capital in arriving at its advice to the Independent Board Committee. We would advise you to read this letter carefully before you take any action in respect of the Proposal and the Scheme.

**19. TAXATION AND INDEPENDENT ADVICE**

Your attention is drawn to the section headed “18. TAXATION” in the Explanatory Statement in Part VI of this Scheme Document.

It is emphasised that none of the Offeror, the Company, Anglo Chinese, Altus Capital nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their approval or disapproval of the Proposal. All Scheme Shareholders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Proposal.

**20. FURTHER INFORMATION**

You are urged to read the whole of this Scheme Document, in particular:

- (i) the letter from the Independent Board Committee in Part IV of this Scheme Document;
- (ii) the letter from Altus Capital in Part V of this Scheme Document;
- (iii) the Explanatory Statement in Part VI of this Scheme Document;
- (iv) the Appendices to this Scheme Document;
- (v) the Scheme as set out in Appendix IV to this Scheme Document; and
- (vi) the notice of Court Meeting and the notice of SGM as set out in Appendix V and Appendix VI to this Scheme Document.

In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the SGM are enclosed with this Scheme Document.

**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, among 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.

Yours faithfully,  
By order of the Board  
**SOUNDWILL HOLDINGS LIMITED**  
**Mr. Chan Hing Tat**  
*Chairman and Executive Director*



## SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司 \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

30 April 2025

*To the Disinterested Scheme Shareholders*

Dear Sir or Madam,

**(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;  
AND  
(3) PROPOSED SPECIAL DIVIDEND**

We refer to the document dated 30 April 2025 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”), of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

We, being all the independent non-executive Directors, have been appointed by the Board as members of the Independent Board Committee to give 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.

Altus Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Proposal and the Scheme. The details of its advice and the principal factors taken into consideration in arriving at its recommendations are set out in the “Letter from Altus Capital” in Part V of the Scheme Document.

\* For identification purpose only

Having considered the terms of the Proposal and having taken into account the advice of Altus Capital, and in particular, the factors, reasons and recommendations set out in the letter from Altus Capital, we consider that the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned.

Accordingly, we recommend that:

- (i) at the Court Meeting, the Disinterested Scheme Shareholders to vote **IN FAVOUR OF** the resolution to approve the Scheme;
- (ii) at the SGM, the Shareholders to vote **IN FAVOUR OF** the special resolution 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
- (iii) at the SGM, the Shareholders to vote **IN FAVOUR OF** the ordinary resolution to approve the Special Dividend on the terms as contained in the Scheme Document, subject to the Scheme becoming binding and effective in accordance with its terms and conditions.

We draw the attention of the Disinterested Scheme Shareholders to (1) the letter from the Board as set out in Part III of the Scheme Document; (2) the letter from Altus Capital, which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee as set out in Part V of the Scheme Document; and (3) the Explanatory Statement as set out in Part VI of the Scheme Document.

Yours faithfully,  
For and on behalf of the  
**Independent Board Committee of Soundwill Holdings Limited**

**Mr. Chan Kai Nang**  
*Independent*  
*Non-executive Director*

**Mr. Pao Ping Wing**  
*Independent*  
*Non-executive Director*

**Mr. Young Chun Man,**  
**Kenneth**  
*Independent*  
*Non-executive Director*

*The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee in relation to the Proposal and the Scheme for the purpose of inclusion in the Scheme document.*

# ALTUS.

**Altus Capital Limited**  
21 Wing Wo Street  
Central  
Hong Kong

30 April 2025

*To the Independent Board Committee*

**Soundwill Holdings Limited**  
21/F, Soundwill Plaza  
No. 38 Russell Street  
Causeway Bay  
Hong Kong

Dear Sir or Madam,

**(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;  
AND  
(3) PROPOSED SPECIAL DIVIDEND**

## **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposal and the Scheme. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee as set out in the announcement of the Company dated 17 March 2025. Details of the Proposal and the Scheme are set out in “Part III — Letter from the Board” and “Part VI — Explanatory Statement” contained in the Scheme Document dated 30 April 2025, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

**The Proposal**

Pursuant to the Announcement dated 7 March 2025, the Offeror and the Company jointly announced that on 5 March 2025, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme, being a scheme of arrangement under section 99 of the Companies Act, which, if implemented, would result in the Company being 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 the withdrawal of listing of the Shares from the Stock Exchange. As disclosed in the Scheme Document, all Scheme Shareholders are also Disinterested Scheme Shareholders as at the Latest Practicable Date.

If the Proposal is approved and implemented, all the Scheme Shares will be cancelled and the Scheme Shareholders will receive the Total Price of HK\$8.5 for each Scheme Share, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror under the Scheme, and (ii) the Special Dividend of HK\$1.0 in cash for each Share to be paid by the Company.

Shareholders and potential investors of the Company should be aware that the declaration of the Special Dividend of HK\$1.0, which forms part of the Total Price, is subject to (i) the passing of an ordinary resolution at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions. Accordingly, the Special Dividend may or may not materialise.

Ko Bee (which, together with Full Match, holds 212,305,028 Shares representing approximately 74.94% of the issued Shares as at the Latest Practicable Date) has irrevocably undertaken (to the extent permitted under the Takeovers Code, the Listing Rules, and applicable laws and regulations) to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend. Accordingly, Ko Bee shall fulfil its legal commitments undertaken in the undertaking to vote in favour of the aforesaid resolution, so that the Special Dividend will be approved at the SGM. Upon the Scheme becoming binding and effective in accordance with its terms and conditions, the Special Dividend will be paid to Shareholders whose names appear on the register of members of the Company as of the Record Date.

For further details, please refer to section headed “6. Special Dividend” under “Part III — Letter from the Board” in this Scheme Document.

**THE INDEPENDENT BOARD COMMITTEE**

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 advise the Disinterested Scheme Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting at the Court Meeting and the SGM.

## **THE INDEPENDENT FINANCIAL ADVISER**

As the Independent Financial Adviser in relation to the Proposal and the Scheme, our role is to advise the Independent Board Committee as to (i) whether the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned; and (ii) whether the Disinterested Scheme Shareholders should vote in favour of the Scheme at the Court Meeting and the resolutions necessary to implement the Proposal at the SGM.

We (i) are not associated or connected, financially or otherwise, with the Company or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the commencement of the Offer Period.

Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal and the Scheme is at market level and not conditional upon the outcome of the Proposal and the Scheme; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them and can act as the Independent Financial Adviser to the Independent Board Committee in relation to the Proposal and the Scheme.

## **BASIS OF OUR ADVICE**

In formulating our opinion, we have reviewed, amongst others (i) the Announcement; (ii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”); (iii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”); and (iv) other information as set out in the Scheme Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Scheme Shareholders of any material changes to information contained or referred to in the Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Scheme Shareholders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and up to the date of the Court Meeting and the SGM.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Company contained or referred to in the Scheme Document, and information relating to the Company provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Disinterested Scheme Shareholders arising from acceptance or non-acceptance of the Proposal and the Scheme, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Disinterested Scheme Shareholders as a result of the Proposal and the Scheme. In particular, the Disinterested Scheme Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional adviser on tax matters.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our advice for the Proposal and the Scheme, we have considered the following principal factors and reasons:

### **1. Background and financial information of the Group**

#### ***1.1 Background of 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.

The Group's major properties held include (i) Soundwill Plaza and Soundwill Plaza II — Midtown in Causeway Bay, Hong Kong; (ii) 10 Knutsford Terrace in Tsim Sha Tsui, Hong Kong; and (iii) Kai Kwong Commercial Building in Wan Chai, Hong Kong. Its major development properties include (i) iCITY project at 111 Ta Chuen Ping Street, Kwai Chung, Hong Kong; (ii) Lakeview Bay • VOGUE 尚薈海岸 (景湖灣) project in Gaoyao, Guangdong, PRC; and (iii) Grand Capital 譽名都 (山水向日) project in Zhuhai, Guangdong, PRC. The Group also operates the business of One Storage which offers secure storage space with professional management and services to customers.

## 1.2 Historical financial performance of the Group

Set out below is a table summarising certain key financial information of the Group for its financial years ended 31 December (“FY”) 2022, 2023 and 2024 (“FY2022”, “FY2023” and “FY2024”), as extracted from the 2023 Annual Report and the 2024 Annual Report.

*Selected items of Consolidated Income Statement*

HK\$'000	<b>FY2024</b> (audited)	<b>FY2023</b> (audited)	<b>FY2022</b> (audited)
<b>Revenue</b>	<b>1,229,732</b>	<b>395,892</b>	<b>478,376</b>
— <i>Revenue from goods and services</i>	898,353	44,208	102,242
— <i>Property development</i>	875,054	22,729	78,611
— <i>Building management &amp; other services</i>	23,299	21,479	23,631
— <i>Rental income</i>	331,379	351,684	376,134
Cost of sales	(528,706)	(42,404)	(82,588)
<b>Gross profit</b>	<b>701,026</b>	<b>353,488</b>	<b>395,788</b>
Other income, gains and losses	71,721	437,888	52,776
Selling expenses	(84,787)	(2,254)	(3,629)
Administrative expenses	(120,766)	(126,818)	(118,712)
Net fair value loss on investment properties	(2,900,959)	(1,212,858)	(464,274)
Finance costs	(75,868)	(84,579)	(43,079)
Others	1,969	11,440	(541)
<b>Loss before income tax expenses</b>	<b>(2,407,664)</b>	<b>(623,693)</b>	<b>(181,671)</b>
Income tax expense	(83,907)	(22,810)	(80,720)
<b>Loss for the year</b>	<b>(2,491,571)</b>	<b>(646,503)</b>	<b>(262,391)</b>

### FY2023 vs FY2022

In FY2023, the Group recorded revenue of HK\$395.9 million, representing a decrease of 17.2% from FY2022. Rental income was 6.5% lower due to rental support measures offered to tenants while there were also changes in market consumption habits that had slowed down the retail industry’s post-pandemic recovery. Property development income, which was derived from projects in the PRC, was lower at HK\$22.7 million in FY2023 compared with HK\$78.6 million in FY2022 as fewer units were being sold. Cost of sales similarly decreased from HK\$82.6 million in FY2022 to HK\$42.4 million in FY2023 due partly to the aforesaid property sales. Consequently, gross profit decreased by a lesser extent of 10.7% to HK\$353.5 million in FY2023.

The Group recorded substantial amounts of other income, gain and losses of HK\$437.9 million in FY2023 mainly from one-off gain from forfeiture of deposits of HK\$364.5 million following the termination of the sale and purchase agreement relating to Haven Court (“**Terminated S&P**”), the details of which can be found on the announcement of the Company dated 13 September 2023. Interest income was also higher due to the overall higher interest rate environment during FY2023.

Administrative expenses were higher by 6.8% in FY2023 due mainly to higher employee compensation expenses. Under the high-interest rate environment, finance costs almost doubled in FY2023 compared to FY2022. Due to the weak market environment, the Group recorded a substantial amount of net fair value loss on investment properties of HK\$1,212.9 million in FY2023. This represents a further significant increase from the HK\$464.3 million net fair value loss recorded in FY2022.

Despite recording gross profit and the one-off gain above, as a result of the substantial amount of net fair value loss on investment properties recognised, the Group recorded loss before income tax expenses of HK\$623.7 million in FY2023. Income tax expense decreased as Hong Kong rental income was lower in FY2023 while taxation relating to property sales in the PRC also decreased along with lower property sales in FY2023 compared with FY2022. Consequently, the Group recorded loss for the year of HK\$646.5 million in FY2023, a significant deterioration compared with loss of HK\$262.4 million in FY2022.

#### FY2024 vs FY2023

The Group’s revenue increased substantially by over 200% to HK\$1,229.7 million boosted principally by property development income from sales of iCITY, the Group’s new industrial development project in Kwai Chung. The Management has noted that iCITY was launched for sale back in 2022 when property market conditions were more favourable. Property development income amounted to HK\$875.1 million in FY2024 compared to HK\$22.7 million in FY2023. Meanwhile its major source of recurring income, being rental income, had continued to decline in FY2024 where at HK\$331.4 million, was 5.8% lower than FY2023 as market conditions had yet to fully recover. According to the Management, the Group’s core investment property portfolio of Soundwill Plaza, Soundwill Plaza II-Midtown and 10 Knutsford Terrace had experienced a decrease in overall rental income due to lower average rental returns from lease renewals and new leases.

Cost of sales increased substantially to HK\$528.7 million, corresponding to the cost of property sold at iCITY. As a result of higher revenue from property sales, the Group recorded gross profit of HK\$701.0 million in FY2024, a 98.3% increase compared to FY2023. Other income decreased substantially in FY2024 in the absence of the one-off gain relating to forfeiture of deposits as explained above for FY2023.

Selling expenses increased substantially to HK\$84.8 million, similarly corresponding to properties sold at iCITY and included commissions paid to property agents for iCITY sales. Administrative expenses were lower in FY2024 as depreciation expenses were reduced while employee compensation expenses held steady. During FY2024 interest expenses had remained at similar level to FY2023 as interest rates had remained relatively high.

During FY2024, the real estate market in Hong Kong and PRC continued their downward trend resulting in the Group having to recognise significant net fair value loss on investment properties of HK\$2,901.0 million. This represents a further increase from the HK\$1,212.9 million net fair value loss recorded in FY2023.

In line with increased profitability from property sales, income tax, in particular Hong Kong profits tax, had increased in FY2024 to HK\$83.9 million. Taking into account the aforesaid significant net fair value loss, the Group recorded loss for the year of HK\$2,491.6 million for FY2024.

Overall, we observed that operationally the Group was able to maintain gross profit positions. While profitability level for rental operations had deteriorated along with lower rental income, property sales from property development activities had boosted overall profitability in FY2024. Administrative expenses had meanwhile remained at similar levels between FY2022 and FY2024. Profitability was augmented in FY2023 by other income and gains, but this appeared to be one-off.

As the Hong Kong and PRC real estate prices had been on a downward trend in the past few years, the Group had continued to record net fair value losses on its investment properties. In fact, the Group had recorded seven consecutive years of such net fair value losses since FY2018. Consequently, these have had a negative impact on the net asset value or net equity value of the Group as further discussed below.

*Selected items of Consolidated Statement of Financial Position*

HK\$'000	As at		
	31 December 2024 (audited)	31 December 2023 (audited)	31 December 2022 (audited)
<b>Non-current assets</b>			
Investment properties	15,266,445	18,171,015	19,374,605
Property, plant and equipment	112,361	114,714	122,528
Loan receivables	222,181	4,349	5,906
Others	42,688	43,006	48,907
<b>Total non-current assets</b>	<b>15,643,675</b>	<b>18,333,084</b>	<b>19,551,946</b>
<b>Current assets</b>			
Properties for sale and assets classified as held for sales	1,025,464	1,381,903	1,063,112
Trade and other receivables	155,214	146,940	174,070
Short-term bank deposits and cash & cash equivalents	1,150,786	1,138,306	1,394,944
Financial assets at fair value through profit or loss	—	—	38,884
<b>Total current assets</b>	<b>2,331,464</b>	<b>2,667,149</b>	<b>2,671,010</b>
<b>Current liabilities</b>			
Borrowings	(891,298)	(585,072)	(87,728)
Trade and other payables	(566,266)	(544,983)	(855,326)
Contract and lease liabilities	(46,591)	(206,303)	(141,480)
Provision for income tax	(165,456)	(121,123)	(121,631)
<b>Total current liabilities</b>	<b>(1,669,611)</b>	<b>(1,457,481)</b>	<b>(1,206,165)</b>
<b>Non-current liabilities</b>			
Borrowings	(468,560)	(931,727)	(1,686,799)
Lease and deferred tax liabilities	(160,227)	(151,163)	(154,358)
<b>Total non-current liabilities</b>	<b>(628,787)</b>	<b>(1,082,890)</b>	<b>(1,841,157)</b>
<b>Net Assets</b>	<b>15,676,741</b>	<b>18,459,862</b>	<b>19,175,634</b>

The Group's non-current assets comprised principally investment properties in Hong Kong, including those under re-development. As at 31 December 2022, certain investment properties with carrying amount of

HK\$2,200.6 million were related to the Terminated S&P. The carrying amount of investment properties had declined from HK\$19,374.6 million to HK\$15,266.4 million between 31 December 2022 and 31 December 2024 due mainly to recognition of net fair value loss during this period. Property, plant and equipment comprised mainly the Group's owner-occupied buildings. The amount had remained stable from 31 December 2022 to 31 December 2024. Loan receivables increased from nominal amount as at 31 December 2022 and 31 December 2023 to HK\$222.2 million as at 31 December 2024 due to the Group's provision of mortgage loans to certain purchasers of the iCITY workshops.

The Group's current assets comprised principally (i) its cash holdings in the form of short-term bank deposits and cash and cash equivalents; and (ii) properties for sale. Its cash holdings had reduced from HK\$1,394.9 million as at 31 December 2022 to HK\$1,150.8 million as at 31 December 2024. The cash holdings as at 31 December 2022 included cash deposits relating to the Terminated S&P. Between this period, the Group had also paid down its borrowings as well as paid out dividends to Shareholders, including final and special dividends in June 2024 which amounted to about HK\$283 million. Properties for sale had increased between 31 December 2022 and 31 December 2023 and then reduced as at 31 December 2024 largely in line with the completion, launch and sale of the iCITY development project.

The Group's current liabilities comprised principally trade and other payables and its short-term borrowings. As at 31 December 2022, included in trade and other payables was deposit of approximately HK\$320.9 million related to the Terminated S&P. As this deposit was subsequently forfeited by the Group in 2023, the amount of trade and other payables decreased as at 31 December 2023 and 31 December 2024. The amount of contract and lease liabilities fluctuated mainly in line with changes in deposits received in advance associated with pre-sale of iCITY between 31 December 2022 and 31 December 2024. As at 31 December 2024, Group had borrowings of HK\$891.3 million falling due within 12 months, which may be subject to repayment and/or refinancing.

While the Group's total borrowings (under current and non-current liabilities) had progressively decreased from HK\$1,774.5 million as at 31 December 2022 to HK\$1,516.8 million as at 31 December 2023 and to HK\$1,359.8 million as at 31 December 2024, the amount which would come due within a year (as stated above) had increased resulting in larger amount being classified under current liabilities. For the reason explained above regarding borrowings, the Group's non-current liabilities correspondingly reduced between 31 December 2022 and 31 December 2024.

As a combination of the above reasons, the Group's net assets had decreased from HK\$19,175.6 million as at 31 December 2022 to HK\$15,676.7 million as at 31 December 2024.

Overall, the Group had maintained strong liquidity and low gearing positions which allowed it to weather the current economic and market downturn that had negatively impacted the overall property industry and the Group's businesses in the past three financial years. Its asset position had however been precarious in the past few years due to continued recognition of net fair value loss on its investment properties, resulting in continuous decline in the Group's net assets.

### 1.3 *Dividends*

The table below sets out the Company's historical dividend to shareholders during the past five years ended 31 December 2024.

Year ended	Dividend per Share (HK\$)
31 December 2024	Nil*
31 December 2023	1.00
31 December 2022	0.20
31 December 2021	0.20
31 December 2020	0.20
31 December 2019	0.20

\* Excluding the Special Dividend which is inter-conditional with the approval of the Scheme

The Company had consistently distributed dividends to its shareholders at least over the five years between FY2019 and FY2023. For FY2024, the Board does not recommend payment of any dividend. According to the 2023 Annual Report, the Company has adopted a dividend policy and aims to allow its shareholders to share Company's profits and for the Company to retain adequate reserves for business needs and growth. It is stated that the Board shall take into account various factors it may deem relevant, including but not limited to the Group's actual and expected financial performance, working capital requirements, capital expenditure requirements and commitments, operations and business strategies, liquidity position, retained earnings and distributable reserves, etc., and market conditions and external factors. In particular, we note that the Company may be inclined to maintain a stronger liquidity position when there is capital intensive business operation, and the Company makes no assurance that dividend will be paid for any given period or will be paid in any particular amount.

We observe that the dividends paid by the Group above had remained constant over the years, save for FY2023 when a special dividend of HK\$0.80 per Share was also declared. We understand from the Management that this special dividend was declared principally due to the completion of a major property development project of the Group, namely iCITY, in 2023. The Group did not declare any dividend for FY2024 which the Management noted to be consistent with its dividend policy. As further discussed in the sections headed "1.2

Historical financial performance of the Group” above and “1.4 Industry and outlook of the Group” below, the Group’s rental revenue had been declining in the past three years while property sales had fluctuated. Its financial position was adversely affected by recognition of net fair value losses on investment properties along with downturn of commercial and retail property sectors in recent years. Coupled with its capital expenditure and cash flow needs for various development projects in the pipeline such as those ongoing at 42–44 Yiu Wa Street in Causeway Bay and 13–17 Wah Sing Street in Kwai Chung and potential future Haven Court redevelopment, the Group’s ability to pay dividend is curtailed. The construction costs of the above projects are expected to exceed HK\$2.2 billion, which, as an illustration, will far exceed the amounts of dividends paid to Shareholders in the past few years since FY2019.

The stance adopted by the Company above will likely entail the amount of dividend to be declared and paid (if any at all) to remain at lower levels in the short-to-medium term until such time when these non-cash generating projects turn cash-generating.

#### *1.4 Industry and outlook of the Group*

The Group is principally engaged in property leasing, property development and provision of building management services in Hong Kong and property development in the PRC. Its investment property portfolio is principally located in Hong Kong and encompasses those for retail, commercial, industrial and residential use. On this basis, we have conducted independent research on these sectors of the Hong Kong property market and the residential property market in the PRC.

##### *Hong Kong Property Market*

For our independent research on Hong Kong’s office and industrial property markets, we have reviewed a report issued by CBRE Research under CBRE Group, Inc titled “2025 Hong Kong Real Estate Market Outlook” (“CBRE Report”). CBRE Research is part of CBRE Group, Inc which is listed on the New York Stock Exchange and according to its annual report, CBRE Group, Inc is the world’s largest commercial real estate services and investments firm. It maintains an extensive research and data platform and counts nearly 90% of Fortune 100 companies and many of the world’s largest institutional real estate investors as its clients. We noted that CBRE Research regularly issues market reports on global and regional markets for comprehensive range of property types including office, residential, hotels, industrial and logistics as well as retail, and their findings and forecasts are quoted by news media.

The CBRE Report stated that vacancy rates of offices had continued to rise, and landlords have had to become more flexible where alongside direct rental reductions, additional incentives such as reinstatement waivers were being offered. Overall, office rental in Hong Kong fell by 6.3% in 2024

compared with 2023. For 2025, CBRE Research expects demand for offices to improve slightly but vacancy is set to further increase, causing rental rates to drop by 5% to 10%. The drop will primarily be led by decentralised submarkets. The CBRE Report noted that high leasing volume had resulted in a drop in core shopping district high street shop vacancy rate and saw retail rents climbed by 5.7% year-on-year in 2024. CBRE Research anticipate leasing momentum to remain healthy in 2025 with high street shop vacancy rate remaining relatively low, supporting rental growth of up to 5% in 2025 despite the overall fall in retail sales. In respect of industrial properties, CBRE Research stated that in 2024, warehouse occupiers continued to be cost-conscious. As landlords were willing to provide incentives for tenants to stay, relocation demand declined. During 2024, overall warehouse rents fell by 4.6% year-on-year. CBRE Research expects a combination of weak demand and higher number of lease expiries to push up vacancies and result in warehouse rents declining by up to 5% in 2025.

For more comprehensive review, we have cross-checked the above with the forecasts on Hong Kong property market by two other established real estate services and investments firm, namely Jones Lang LaSalle IP, Inc. (“**JLL**”) and Knight Frank Hong Kong Limited (“**Knight Frank**”). JLL is a leading global commercial real estate and investment management company with annual revenue of US\$20.8 billion, operations in over 80 countries and a global workforce of more than 106,000. It is a Fortune 500 company listed on the New York Stock Exchange. Knight Frank is a leading independent property consultancy with more than 27,000 people operating from more than 740 offices across over 50 territories. Its Hong Kong business was established in 1972 and since then has expanded to provide complete coverage across Greater China.

For the office market in 2025, JLL forecasts that there will be continued improvement in leasing volume with more sizeable transactions expected but it projects overall rent to continue to decline in 2025. For Causeway Bay area, JLL projects that office rental will decline by up to 5%. Knight Frank meanwhile forecasts grade-A office in Hong Kong Island to drop by 0 to 3% in 2025.

For the retail market in 2025, JLL forecasts rental rates for high street shops and prime shopping centres to decline 0 to 5%. Knight Frank meanwhile expects retail rent to be stable in 2025.

#### *The PRC*

For our independent research on PRC’s residential property market, we have reviewed a report issued by Savills (Hong Kong) Limited on the “2025 Chinese Real Estate Market Outlook” (“**PRC Report**”). Savills (Hong Kong) Limited is part of Savills plc, which is listed on the London Stock Exchange and advises on commercial, residential, rural and leisure property. It also

provides corporate finance advice, investment management and a range of property-related financial services. Its services span globally, with over 40,000 experts working across more than 700 offices. Savills regularly issues market reports on global and regional markets and their reports are frequently quoted by news media.

Savills expects that the PRC residential sector will undergo a moderate recovery in 2025 after having experienced a four-year adjustment period. Policy tone has shifted toward stabilising the real estate market, with a series of easing policies to support the economy and the market. According to data from November and December 2024, the decline in housing prices has narrowed, bringing gradual stability to the industry. Transactions in first-tier cities have also become more active, and their performance in 2025 will be crucial to restoring overall market confidence.

Based on the above, it appears these research houses generally hold a cautious view on the outlook of Hong Kong's property in 2025, mostly forecasting further moderate decline in rental rates. We are of the view that the Group's rental operations may continue to be under pressure, especially for its office leasing activities. There may be bright spots for the Group's retail leasing operations as vacancy rate and rental rate appear to have stabilised, but we noted that rental rates remain substantially lower compared to pre-pandemic periods. These may continue to weigh on the capital value of the Group's investment properties.

In particular, we noted that as part of the Group's land acquisition and development strategy, the Group had previously acquired units in older buildings for ownership consolidation. In this respect, although the Group successfully obtained a compulsory sale order for Haven Court from the Lands Tribunal in 2024, a public auction held in accordance with the order failed to attract bidders, and the Group, having assessed the current economic and property market conditions, also decided not to place a bid. We believe the above reflects the prevailing cautiousness of market players which may dampen property investment activities in Hong Kong in the short-to-medium term.

For property development activities, we understand from the Management that after iCITY, the Group currently does not have completed project that is ready and available for sale on a strata-title basis. There are only a small number of remaining units available for sale at Grand Capital while there are considerable number of units available for sale at Lakeview Bay • VOGUE. As the pace of sale has been slow in the PRC, the Group plans to capitalise on potential market rebound in 2025 to sell such remaining units by partnering with several parties.

## 2. Background information of the Offeror

### 2.1 *The Offeror and the Offeror Concert Parties*

#### *The Offeror*

The Offeror is a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Ko Bee Limited. The directors of the Offeror as at the date of the Latest Practicable Date were Madam Foo Kam Chu Grace, Mr. Chan Hing Tat, and Mr. Tan Benny Min Tack. The Offeror does not own, control, or have direction over any shares of the Company as at the Latest Practicable Date. The Offeror is currently proposing the privatisation of the Company by way of a scheme of arrangement. Payment of the Cancellation Price of HK\$7.5 per Scheme Share 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.

#### *Ko Bee Limited*

Ko Bee Limited is a company incorporated in the British Virgin Islands 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 family trust is Century Pine (PTC) Limited. As at the Latest Practicable Date, Ko Bee owned 209,919,028 Shares, representing approximately 74.10% of the issued share capital of the Company.

#### *Madam Foo Kam Chu Grace*

Madam Foo Kam Chu Grace is the founder of the Group and an executive Director and a director of certain subsidiaries of the Group. She has extensive experience in the property market in Hong Kong since the early 1970s, specialising in acquiring old buildings for redevelopment. Madam Foo is the mother of Ms. Chan Wai Ling, Mr. Chan Hing Tat, and Ms. Winnie Chan. As at the Latest Practicable Date, Madam Foo personally held 96,602 Shares, representing approximately 0.03% of the issued share capital of the Company. Madam Foo is a director of the Offeror.

#### *Full Match Limited*

Full Match Limited is a company incorporated in the British Virgin Islands with limited liability. Full Match is wholly owned by Ko Bee. As at the Latest Practicable Date, Full Match held 2,386,000 Shares, representing approximately 0.84% of the issued share capital of the Company.

*Ms. Chan Wai Ling*

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 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. Ms. Chan Wai Ling is a beneficiary of Madam Foo's family trust.

*Mr. Chan Hing Tat*

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. Mr. Chan Hing Tat is a director of the Offeror, and a beneficiary of Madam Foo's family trust.

*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. Ms. Winnie Chan is a beneficiary of Madam Foo's family trust.

*Century Pine (PTC) Limited*

Century Pine (PTC) Limited is the trustee of Madam Foo's family trust.

The Offeror Concert Parties, as at the Latest Practicable Date, own, control, or have direction over 212,401,630 Shares, representing approximately 74.97% of the issued share capital of the Company. This includes Shares held by Madam Foo, Ko Bee, and Full Match.

## **2.2 The Offeror's intention in relation to the Group**

As disclosed in the paragraph headed "10. Intentions of the Offeror with regard to the Group" under the section headed "Part VI — Explanatory Statement" of the Scheme Document, as at the Latest Practicable Date, 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 the provision of building management services. The Offeror, being a controlled entity under the family trust of Madam Foo (as the founder and management of the Group), plans to implement this strategic plan regardless of whether the Proposal becomes effective, and has no intention to divest its major investment properties of the Group in the short to medium term. Furthermore, the Offeror has no intention to have the Shares listed on 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 changes that may be implemented following a review of the Group's strategy.

### **2.3 *Withdrawal of the listing of the Shares***

As part of the Proposal, the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares in accordance with Rule 6.15(2) of the Listing Rules. This withdrawal is intended to take place immediately following the Effective Date, upon the Scheme becoming effective. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares will not be withdrawn. Furthermore, no Scheme Shares would be cancelled, and the aforesaid shareholding will remain unchanged, and thus the public float requirement pursuant to Rule 8.08 of the Listing Rules would be met.

## **3. Rationale of the Proposal from the perspectives of the Company and the Disinterested Scheme Shareholders**

We have considered the rationale of the Proposal from the perspectives of the Disinterested Scheme Shareholders as well as the Company as follows:

### **3.1 *From the perspective of the Disinterested Scheme Shareholders***

#### *Current market conditions and operating environment faced by the Group*

The Management has highlighted several critical issues impacting the Group's performance, such as (i) declining property leasing revenues, (ii) challenges in asset realisation, (iii) rising construction costs and capital expenditure, and (iv) the impact of proposed rental regulations. The Group's core business, which includes property leasing, development, and building management services in Hong Kong and property development in the PRC, has experienced significant headwind which also affected its statement of financial position, sustained by a variety of macroeconomic factors such as global geopolitical tensions, high inflation, and intense regional competition.

As discussed above under the section headed "1.2 Historical financial performance of the Group", the Group has been recording a notable decline in its rental income of 11.9% between FY2022 and FY2024, driven by a combination of the aforementioned macroeconomic factors and post-pandemic shifts towards online shopping, which have collectively reduced demand for physical retail spaces. Likewise, despite sales of certain investment properties in FY2024, deteriorating property markets have deterred investors from committing to real estate in a high-interest environment, posing challenges for the Group in realising values in its heritable assets such as Haven Court amidst widening net fair value write-downs. Consequently, since FY2022, the Group had continuously recorded net fair value loss on its investment properties which in FY2024 alone, amounted to approximately HK\$2.9 billion.

A combination of factors such as declining rental income, illiquid property markets, and rising cost of sales (in particular, expected construction costs in excess of HK\$2.2 billion) has significant implications for the Group's core cash flow generation and ability to finance new projects. While the Group has committed to implementing a long-term strategic plan via an extended investment cycle as discussed below, these aforementioned factors may place further strain on the Group's financial reserves and require additional financing to support its property development operations. We therefore concur with the Management that the Group faces substantial challenges in maintaining its financial performance.

While property sales like those for iCITY previously may provide a temporary boost to revenue, the overall sustained pressure in the property markets environment places considerable strain on the Group's ability to return immediate value to shareholders whilst maintaining a robust balance sheet. A stabilising retail sector may provide respite although recognisably, any recovery may remain distant from pre-pandemic peak levels. We are of the view that the Proposal represents an opportunity to exit their investments in the Company at a premium to prevailing market valuation of the Shares before the Proposal, amidst this period of uncertainties.

#### *Total Price relative to market benchmarks*

The Total Price of HK\$8.50 per Scheme Share, 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 (which Ko Bee has irrevocably undertaken to vote in favour of), represents substantial premiums over recent trading market prices. During the Review Period (defined below), the Share price had largely remained at a steady downwards trend, with an average daily closing price of approximately HK\$5.92. As shown in the section headed "4.1 Historical price performance of the Shares" below, at no point during the Review Period had the Share price reached the level of the Total Price, a price we believe has been largely suppressed by current industry challenges and the Group's affected financial performance as disclosed in the FY2023 and FY2024 results. In fact, we observed that at no point within the past 3 years leading up to the Latest Practicable Date had the Shares traded at above the Total Price. The result is also that of a persistently depressed share price treading at a substantial discount of approximately 85.0% to the Group's NAV, a characteristic largely shared among its peers as discussed in the section headed "4.3. Comparables analysis".

The recent increase in Share price occurred only after the publication of the Announcement. The presence of the Proposal, we believe, currently serves as the foundation for the elevated trading price and volume of the Shares, and that the absence or lapse of the Proposal may likely cause the Share price to retreat to pre-Announcement levels. Furthermore, the limited share

purchase headroom of 0.03% (that being the maximum private holdings of 75% pursuant to Rule 8.08 of the Listing Rules less the percentage of shares held by the Offeror and Offeror Concert Parties of 74.97%) for the Company to conduct on-market Share buy-backs without compromising the public float and listing status of the Company further raises difficulty for the Company to bolster the Share price through corporate actions.

In the absence of any observable impetus to the protracted low price level prior to the Announcement or an alternative offer, the Proposal presents Disinterested Scheme Shareholders with the only viable option to sell their Shares at a premium to prevailing market price with certainty. For more detailed analysis of the trading price against the Cancellation Price and Total Price, and comparisons of the Proposal against privatisations of similar nature, see the sections headed “4.1. Historical Price Performance of the Shares” and “5. Privatisation Precedents” below.

*Monetisation opportunity regardless of shareholding size*

Without sufficient liquidity in the open market, minority shareholders generally face difficulty to exit their positions without depressing market share price which compromises the exit value for their investments. We have conducted analysis on the trading volume of the Shares over the Review Period and have concluded that the low average daily trading volume to the total number of issued Shares (over the Pre-Announcement Period and Review Period, being 0.01% and 0.04% respectively) is indicative of low investor interest and general illiquidity. While a substantial increase in trading liquidity was observed in the days following the Announcement, we maintain that such relatively high volume was triggered by the presence of the Proposal and may not sustain in its absence. There will therefore be potential difficulties for the Disinterested Scheme Shareholders to execute substantial on-market disposals at current market price. Further information is disclosed in the section headed “4.2 Trading liquidity of the Shares” below.

*Dividend capacity*

Recent financial results indicate a weakening of the Group’s dividend payment capacity. The Group reported an approximate HK\$2.5 billion loss in FY2024, a substantial deterioration from the prior year’s deficit, largely attributable to significant unrealised losses within its investment property portfolio. In combination with the aforementioned factors affecting the Group’s rental operations and investment activities, we concur with the Management that maintaining the historical rates of cash dividend distribution may be challenging. Further information is disclosed in the section headed “1.3 Dividends” above.

We understand that the Management intends to pivot away from regular cash flow distributions and will instead prioritise long-term investments with extended horizon. To strengthen the underlying business and respond to

rising capital expenditure and operational cost, the Group is likely to be in longer property development cycles than what the Group had previously achieved. The Group also has no intention to divest its major investment properties in the short to medium term. Ongoing development projects such as at 42–44 Yiu Wa Street in Causeway Bay and 13–17 Wah Sing Street in Kwai Chung will, in particular, demand substantial capital injections and liquidity to support construction and future operation in order to become revenue-generating asset.

### **3.2 From the perspective of the Company**

#### *Limited benefits in maintaining the Company's Listing Status*

Management has noted that the depressed price level and low trading activities of the Shares have limited the Company's ability to conduct equity fund raising to finance its business operation and development, a factor corroborated by the fact that it had not conducted any equity fund raising exercise since 2012 up to the Latest Practicable Date. This has historically rendered the listing status to be of limited value to the Company. Furthermore, as there have been no significant investors apart from the Offeror and the Offeror Concert Parties in the past two decades, the likelihood of an alternative offer is low.

Should the Company withdraw its listing status, immediate administrative and resource savings can be anticipated. This would also allow the reallocation of capital and management resources towards its core business development and investment. Indeed, operating privately typically affords greater flexibility in pursuing long-term strategies without the pressures of short-term public investor expectations in terms of share price and dividends, a potential advantage given prevailing economic uncertainty and industry headwinds. As a result, we concur with this assessment from the perspective of the Company that with the primary function of a public listing of access to capital markets demonstrably curtailed in this case, the associated compliance costs and scrutiny may not be justifiable.

### **3.3 Section summary**

In summary, the Proposal warrants due consideration by Disinterested Scheme Shareholders given (i) the Company's declining revenues in its core property leasing business and limited asset realisation for its property development business; and (ii) the substantial premium of the Total Price to prevailing market prices as well as historical prices and the protracted trading illiquidity of Shares. At the same time, we find it reasonable from the Company's perspective that the Proposal gives it the ability to alleviate further cost obligations on the Company in maintaining a listing status which has lost its primary function as a fund-raising platform.

#### 4. The Cancellation Price and Total Price

The table below sets out the premiums or discounts of (i) Cancellation Price of HK\$7.50 per Scheme Share, and the (ii) Cancellation Price plus Special Dividend (i.e. Total Price) of HK\$8.50 per Scheme Share compared to various benchmarks, including the historical trading prices of the Shares, the audited consolidated NAV, and the Adjusted NAV:

Comparison Metric	Closing price or average closing price of the Shares HK\$	Premium/ (Discount) represented by the Cancellation Price %	Premium represented by the Total Price %
<b>Closing price on the Latest Practicable Date</b>	<b>8.04</b>	<b>(6.7%)</b>	<b>5.7%</b>
<b>Closing price on the Benchmark Date</b>	<b>5.22</b>	<b>43.7%</b>	<b>62.8%</b>
Last 5 trading days <sup>(1)</sup>	5.29	41.8%	60.7%
Last 10 trading days <sup>(1)</sup>	5.30	41.5%	60.4%
Last 30 trading days <sup>(1)</sup>	5.33	40.7%	59.5%
Last 60 trading days <sup>(1)</sup>	5.36	39.9%	58.6%
Last 120 trading days <sup>(1)</sup>	5.41	38.6%	57.1%
<b>Closing price on the Last Trading Date</b>	<b>5.50</b>	<b>36.4%</b>	<b>54.6%</b>
Last 5 trading days <sup>(2)</sup>	5.32	41.0%	59.8%
Last 10 trading days <sup>(2)</sup>	5.32	41.0%	59.8%
Last 30 trading days <sup>(2)</sup>	5.33	40.7%	59.5%
Last 60 trading days <sup>(2)</sup>	5.36	39.9%	56.8%
Last 120 trading days <sup>(2)</sup>	5.41	38.6%	57.1%
	NAV per Share <sup>(3)</sup>	Premium/ (Discount) represented by the Cancellation Price	Premium/ (Discount) represented by the Total Price
NAV as at 31 December 2024	55.33	(86.4)%	(84.6)%
Adjusted NAV	56.69	(86.8)%	(85.0)%

*Source: Website of the Stock Exchange*

*Notes:*

- (1) Up to and including the Benchmark Date.
- (2) Up to and including the Last Trading Date.
- (3) Calculated based on the Group's net asset value attributable to Shareholders per Share as at the respective date and the number of Shares in issue as at the respective date.

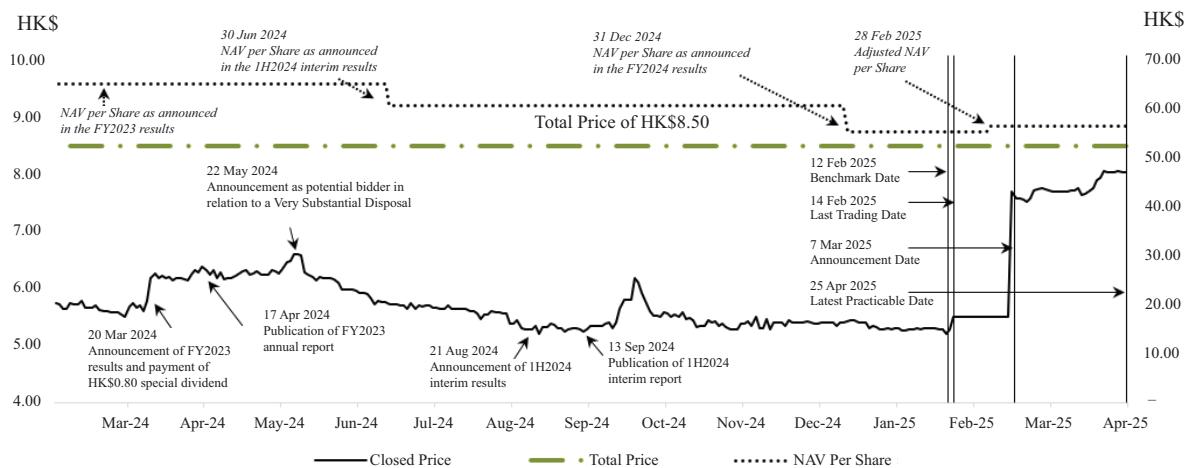
- (4) Calculated based on the Group's unaudited Adjusted NAV as at 28 February 2025 and the number of Shares in issue as at the Latest Practicable Date.

According to the paragraph headed “2. Terms of the Proposal” under the section headed “Part III — Letter from the Board” of the Scheme Document, the Offeror will not increase the Total Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Total Price.

#### **4.1 Historical price performance of the Shares**

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the period commencing from 14 February 2024 (which is 12 months prior to the Last Trading Date) to the Last Trading Date (“**Pre-Announcement Period**”), and subsequently up to and including the Latest Practicable Date (“**Post-Announcement Period**”) (collectively, the “**Review Period**”). We consider a period of approximately one year is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors’ reaction towards the latest developments of the Group, including its financial performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful comparison between these closing prices of the Shares and the Total Price.

#### **Closing prices of the Shares against the Total Price during the Review Period and up to the Latest Practicable Date**



*Source: Website of the Stock Exchange*

*Historical price performance of the Shares*

During the Review Period, the highest and lowest closing prices of the Shares were HK\$8.07 per Share and HK\$5.21 per Share recorded on 15 April 2025 and 23 April 2025, and 27 August 2024 respectively. The average daily closing price per Share over the Review Period was approximately HK\$5.92 per Share. The Cancellation Price and Total Price, being HK\$7.50 and HK\$8.50 per Scheme Share, represents a substantial premium of 26.8% and 43.7% respectively over such average of closing prices.

As illustrated in the graph above, the Total Price of HK\$8.50 exceeds the closing prices of the Shares throughout the entire Review Period. During this period, the Total Price represents substantial premiums ranging from 5.3% (over the highest closing price of HK\$8.07 recorded on 15 April 2025 and 23 April 2025) to 63.1% (over the lowest closing price of HK\$5.21 recorded on 27 August 2024).

We noted that during the Pre-Announcement Period up to the Benchmark Date (i.e. 12 February 2024 to 12 February 2025), the closing prices of the Shares largely demonstrated a downwards trend, with the exception of several notable surges followed by corresponding declines. The first surge was recorded around the release of the FY2023 results and declaration of a special dividend of HK\$0.80 per share on 20 March 2024. The second surge was observed around 22 May 2024, coinciding with announcements regarding a possible notifiable transaction in relation to the bidding of Haven Court on 22 May 2024. Thereafter, following the announcement of the interim results for FY2024 on 21 August 2024, the closing price would tread downwards to its lowest point of HK\$5.21 on 27 August 2024. We observed that closing price surged a third time to HK\$6.19 between 26 September 2024 and 7 October 2024, however based on our review and discussion with Management, no specific reason has been identified to explain such movements. Thereafter, in the period leading up to the Announcement, the closing price had settled once again to pre-surge levels of HK\$5.22 on the Benchmark Date (i.e. 12 February 2025), before rising to HK\$5.50 per Share on the Last Trading Date (i.e. 14 February 2025) immediately prior to the suspension of trading in the Shares at 02:52 p.m. on 15 February 2025 pending the release of the Announcement.

During the Post-Announcement Period, when trading resumed at 09:00 a.m. on 10 March 2025 following the publication of the Announcement, the Share price increased sharply to HK\$7.70, the highest during the Review Period up to that date. This increase in price levels approaching the Total Price likely reflected market reactions to the Proposal, and was supported by an equally substantial increase in average daily trading volume of 2,391,147 in the three trading days after the Announcement. As at the Latest Practicable Date, the Share price closed at HK\$8.04 per Share. We are of the view that the current Share price and trading activity are bolstered by the presence of the Proposal and that, in the absence or lapse of the Proposal, the Share price may retreat to levels observed prior to the Announcement.

For illustrative purposes, we have conducted research on past privatisation transactions for which scheme documents/circulars were issued since 2024 but subsequently failed and the corresponding offer periods lapsed. We have set out our observations below. The list is exhaustive based on these criteria.

<b>Date of scheme document/circular</b>	<b>Company name</b>	<b>Stock code</b>	<b>Date of announcement regarding the lapse of privatisation proposal</b>
1. 2 August 2024	Asia Cement (China) Holdings Corporation	743	26 August 2024
2. 23 December 2024	Shanghai Henlius Biotech, Inc	2696	22 January 2025
3. 28 January 2025	Lifestyle China Group Limited	2136	20 February 2025

We observed that for all of the three transactions above, upon announcing their respective lapse of privatisation proposals, their share prices declined to levels well below the cancellation prices.

#### *Historical NAV discount of the Shares*

Separately, we note that the Cancellation Price and the Total Price represent significant discounts when compared to the Group's net asset values. Specifically, when comparing with the Group's audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024, the Cancellation Price and the Total Price represent discounts of 86.4% and 84.6%, respectively. Similarly, when comparing with the Adjusted NAV per Share, the Cancellation Price and the Total Price represent discounts of 86.8% and 85.0%, respectively.

To further analyse this observation, we have examined the historical trading pattern of the closing price of Shares relative to its NAV per Share during the period of the last 3 years up to and including the Last Trading Date, and observed that the closing prices of the Shares during that period had traded at similar levels of discount to NAV per Share, ranging from 85.8% to 91.5%. During the same period, its Comparables, discussed further below in the section headed “4.3 Comparables Analysis”, had also displayed similar characteristic of trading at substantial discounts to their NAV per Share, ranging from 67.9% to 85.7%. There appears an inherent trend where the market has generally and consistently valued companies such as the Company and the Comparables at such levels of discounts.

Considering that the Cancellation Price and Total Price (i) are higher than the closing prices of the Shares throughout the entire Review Period and (ii) represents a substantial premium of 26.8% and 43.7% respectively over the average closing price of the Shares during the Review Period, we are of the view that the Cancellation Price and Total Price are fair and reasonable from the perspective of the historical trading price of the Shares.

#### *Calculation of the Adjusted NAV per Share*

Reference is also made to the valuations of the property interests of the Group as at 28 February 2025 conducted by Cushman & Wakefield Limited (“C&W”) with respect to the property interests in Hong Kong and Vincorn Consulting and Appraisal Limited (“Vincorn”) with respect to the property interests in the PRC, each an independent property valuer appointed by the Company, details of which are set out in Appendix II to the Scheme Document (the “**Property Valuation Reports**”). We note that the principals who are responsible for signing off the relevant Property Valuation Reports possessed proper qualification. Based on our review of the Property Valuation Reports and underlying workings, we are of the view that (i) the valuation approaches are commonly adopted and in line with the market practice, where in general (a) for PRC property interests, market comparison approach is adopted by making reference to the unit rates of comparables as available in the market; and (b) for Hong Kong properties leased out for rental income, by income approach by capitalising the rental income, derived from existing tenancies with due provision for any reversionary income potential and, where applicable, taking into account the potential of the properties for redevelopment.

As illustrated in the paragraph headed “5. Property Interests and Adjusted NAV” set out in “Appendix I — Financial information of the Group” contained in the Scheme Document, set out below is the calculation of the Adjusted NAV per Share taking into account the effect of the net revaluation surplus attributable to owners of the Company arising from the valuations of the Group’s properties interests as set out in the Property Valuation Reports.

	HK\$
<b>Audited net asset value of the Group as at 31 December 2024</b>	<b>15,676,741,000</b>
<i>Adjustments:</i>	
Less: revaluation loss on investment properties — HK <sup>(1)</sup>	(14,744,176)
Add: net fair value gain on property for sales and leasehold land and building <sup>(2)</sup>	427,270,186
Less: Deferred taxation — PRC <sup>(3)</sup>	<u>(27,511,320)</u>
<b>Adjusted NAV</b>	<b><u>16,061,755,690</u></b>
<b>Adjusted NAV per Share<sup>(4)</sup></b>	<b><u>56.69</u></b>

*Notes:*

- (1) The revaluation loss is calculated based on the difference between (i) the total market value of the investment properties of the Group as at 28 February 2025 of approximately HK\$15,234.3 million, deducting the investment properties of approximately HK\$24.4 million acquired after 31 December 2024 which were contained in the property valuation report prepared by C&W in Appendix II to this Scheme Document and (ii) the audited book value of the investment properties measured at fair value attributable to the Company as at 31 December 2024 of approximately HK\$15,224.6 million.
- (2) The revaluation gain is calculated based on the difference between (i) the total market value of the properties for sales and leasehold land and building of the Group as at 28 February 2025 of approximately HK\$1,543.9 million as set out in the property valuation report prepared by C&W and Vincorn in Appendix II to this Scheme Document and (ii) the audited book value of the properties for sales and leasehold land and building measured at cost attributable to the Company as at 31 December 2024 of approximately HK\$1,116.7 million.
- (3) It represents the deferred tax on temporary differences between the market values of the Properties and the corresponding tax base used in computation of taxable profit, without considering the impact of other unrecognised temporary differences of the Group. Since all the revaluation deficit is attributed to property interests in the PRC, the Enterprise Income Tax of 25% is applied.
- (4) Calculated based on 283,308,635 Shares in issue as at 31 December 2024.

#### 4.2 Trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares as compared to the total number of issued Shares and Shares held by the Disinterested Scheme Shareholders during the Review Period.

Month	Number of trading days	Average daily trading volume (number of Shares)	Approximate % of average daily trading volume to the total number of issued Shares	Approximate % of average daily trading volume to the total number of issued Shares held by the Disinterested Scheme Shareholders
<b>Pre-Announcement Period</b>				
<b>2024</b>				
February	12	51,042	0.02%	0.07%
March	20	47,987	0.02%	0.07%
April	20	38,291	0.01%	0.05%
May	21	74,450	0.03%	0.10%
June	19	39,015	0.01%	0.06%
July	22	19,362	0.01%	0.03%
August	22	19,386	0.01%	0.03%
September	19	21,252	0.01%	0.03%
October	21	44,865	0.02%	0.06%
November	21	16,319	0.01%	0.02%
December	20	28,019	0.01%	0.04%
<b>2025</b>				
January	19	20,069	0.01%	0.03%
February <sup>(1)</sup>	10	41,429	0.01%	0.06%
<b>Pre-Announcement Average</b>			<b>34,715</b>	<b>0.01%</b>
<b>Post-Announcement Period</b>				
March	16	693,070	0.24%	0.98%
April	16	437,271	0.15%	0.62%
<b>Post-Announcement Average</b>			<b>565,171</b>	<b>0.20%</b>
<b>Review Period</b>				
<b>Minimum</b>		<b>16,319</b>	<b>0.01%</b>	<b>0.02%</b>
<b>Maximum</b>		<b>693,070</b>	<b>0.24%</b>	<b>0.98%</b>
<b>Average</b>		<b>95,775</b>	<b>0.04%</b>	<b>0.15%</b>

Source: Website of the Stock Exchange

*Note:*

- (1) The Shares were suspended for trading from 2:52 p.m. on 14 February 2025 to 9:00 a.m. on 10 March 2025.

As illustrated in the above table, the percentage of average daily trading volume to (i) the total number of issued Shares; and (ii) the total number of Shares held by the Disinterested Scheme Shareholders, ranged from 0.01% to 0.24% and 0.02% to 0.98% respectively. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 34,715 Shares, representing 0.01% of the total number of issued Shares and 0.05% of the total number of Shares held by the Disinterested Scheme Shareholders.

We note that the trading volume of Shares increased substantially after the publication of the Announcement where during the first 3 days of the Post-Announcement Period (i.e. 10 March 2025 to 12 March 2025), the average daily trading volume of the Shares peaked at 2,391,147 Shares. This activity level remained elevated throughout the Post-Announcement Period, where the average daily trading volume of the Shares amounted to approximately 565,171 Shares, representing 0.20% of the total number of issued Shares and 0.80% of the total number of Shares held by the Disinterested Scheme Shareholders as at the Latest Practicable Date. It can be concluded that the presence of the Proposal has spurred significant trading activities in the Shares which otherwise had been generally illiquid during the Pre-Announcement Period.

In the absence of the Proposal, Disinterested Scheme Shareholders would only be able to dispose of their Shares on-market to realise their investment in the Company. Given the thin trading volume of Shares during the Pre-Announcement Period, Disinterested Scheme Shareholders may encounter difficulties in selling their Shares without impacting the market price. The liquidity of the Shares throughout most of the Pre-Announcement Period has been, in our assessment, generally thin. Furthermore, the increased turnover in March 2025 is primarily attributable to investors' positive expectations regarding the Proposal, activity and price that may not persist should the Proposal lapse. Disinterested Scheme Shareholders, particularly those with significant stakes, should be aware that exiting their investments in the Company on market might exert downward pressure on the Share price. Consequently, the Proposal offers an opportunity for Disinterested Scheme Shareholders, especially those with relatively sizeable shareholdings, to dispose of their Shares at a fixed price.

#### **4.3 Comparables analysis**

Comparables analysis involves determining the relative value of a company by comparing it to other companies in the similar industries and engaged in similar business.

To assess the fairness and reasonableness of the Total Price, we have conducted a comprehensive analysis of the price-to-book ratio (the “**P/B Ratio(s)**”), a commonly employed parameter in evaluating asset-intensive companies native to the property sector. Specifically, coverage of the analysis involved comparing the Company’s P/B Ratio with those of listed entities on the Stock Exchange engaged in similar business activities and possess comparable size (the “**Comparable(s)**”). We have not applied another commonly employed parameter, being the price-to-earnings ratio (the “**P/E Ratio**”) as the Company was loss making and three out of the four Comparables are also loss making, rendering this metric not applicable.

We have set out below the criteria for the purpose of identifying the Comparables:

- (i) A company whose shares are similarly listed on the Main Board of the Stock Exchange;
- (ii) A company whose net asset value attributable to shareholders as of its latest published annual report is between HK\$5 billion and HK\$30 billion;
- (iii) A company whose revenue principally comprises rental income from property leasing and investment properties in commercial, industrial, and retail units and are classified as reportable segments in the financial statements of their respective latest published interim/annual report (with average of the proportion of rental income revenue in each of the preceding three financial years being over two-thirds); and
- (iv) A company who derives revenue from such businesses principally within Hong Kong (with average of the proportion of revenue from Hong Kong in each of the preceding three financial years being over two-thirds).

Based on the above criteria, we have identified an exhaustive list of four Comparables, being Melbourne Enterprises Limited, Tai Sang Land Development Limited, Associated International Hotels Limited, and Pioneer Global Group Limited.

Recognising that no company possesses an identical business model, scale of operation, trading prospects, target markets, product mix, and capital structure as the Company, and acknowledging that we have not conducted an in-depth investigation into the business and operations of the Comparables beyond the aforementioned selection criteria, we observe that the proportion of revenue or asset compositions between the property businesses of the Comparables may fluctuate annually and may not precisely match those of the Group. Nevertheless, we believe that the selected Comparables are suitable as benchmark references for our comparative analysis, reflecting the prevailing market sentiment towards this

business sector and business models for companies similarly engaged in the property leasing business, and which are also listed on the same platform (i.e. Main Board of the Stock Exchange).

Our relevant findings are summarised in the following table:

Stock code	Company name	Principal business	Market capitalisation <sup>(1)</sup> (HK\$'000)	Revenue <sup>(2)</sup> (HK\$'000)	Net asset value/ Adjusted NAV <sup>(3)</sup> (HK\$'000)	P/B Ratio <sup>(4)</sup>	Net gearing <sup>(5)</sup>
0158	Melbourne Enterprises Limited	Melbourne Enterprises Ltd is an investment holding company principally engaged in the property investment business. The Company principally invests in commercial properties to acquire rentals in Hong Kong. The properties under the company include Melbourne Plaza, Kimley Commercial Building and On Hing Mansion Shop 9B.	1,450,000	161,666	7,099,097	0.20	Net cash
0089	Tai Sang Land Development Limited	Tai Sang Land Development Ltd is a Hong Kong-based investment holding company principally engaged in property businesses. The company operates through four segments, being (i) property rental and investment business; (ii) property development, property management and other property related services; (iii) hotel operations; and (iv) catering services. The properties under the company include the Arca, the Figo, Gateway ts, and Floral Villas.	471,779	481,554	8,261,890	0.06	0.31
0105	Associated International Hotels Limited	Associate International Hotels Ltd is an investment holding company principally engaged in property-related businesses which mainly include the investment and leasing of commercial, office and industrial properties. The properties under the company include iSQUARE, Good Luck Industrial Building as well as the offices in Euro Trade Centre in Hong Kong.	1,821,600	292,143	7,275,431	0.25	Net cash
0224	Pioneer Global Group Limited	Pioneer Global Group Ltd is an investment holding company principally engaged in the investments in property and hotels for rental, and hotel operating business. It also conducts investments for dividends and interest income. The company operates businesses in both Hong Kong and overseas. The properties under the company include Pioneer Place, the Regent hotel, Club Lusitano building, and 68 Yee Wo Street Building in Hong Kong.	692,424	249,480	7,423,246	0.09	0.27
0878	The Company — Cancellation Price <sup>(5)</sup>		2,124,815	395,892	16,032,924	0.13	0.01
0878	The Company — Total Price <sup>(6)</sup>		2,408,123	395,892	16,032,924	0.15	0.01
					Minimum	0.06	0.00
					Maximum	0.25	0.31
					Average	0.15	0.19
					Median	0.15	0.27

*Source: Website of the Stock Exchange*

*Notes:*

- (1) Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date.
- (2) Revenue is extracted from the respective latest published annual results announcement/report prior to the Latest Practicable Date.
- (3) Where applicable, the net asset value attributable to shareholders of the Comparables is extracted from the respective latest published annual/interim/quarterly results announcement/report prior to the Latest Practicable Date.
- (4) P/B Ratio of the Comparables is calculated based on the respective market capitalisation as described in note 1 above and divided by the respective net asset value as described in note 3 above.
- (5) Net gearing is calculated based on the respective net position of total borrowing and cash extracted from the respective latest published annual results announcement/report prior to the Latest Practicable Date, divided by the net asset value as described in note 3 above.
- (6) The implied market capitalisation of the Company is calculated based on the Cancellation Price and 283,308,635 issued Shares. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's Adjusted NAV as at 28 February 2025.
- (7) The implied market capitalisation of the Company is calculated based on the Total Price and 283,308,635 issued Shares. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's Adjusted NAV.

As shown in the table above and based on the implied market capitalisation derived using the Cancellation Price and the Total Price and comparing it to the Group's Adjusted NAV attributable to Shareholders, both the implied price-to-book ratios are approximately 0.13 times and 0.15 times. These fall within the P/B range of the Comparables and is similar to both the median and average P/B ratios of the selected Comparables.

We note that Melbourne Enterprises Limited and Associated International Hotels Limited exhibit higher P/B ratios compared to the Company's P/B ratios implied by the Cancellation Price and Total Price, while Tai Sang Land Development Limited and Pioneer Global Group Limited exhibit lower P/B ratios. This could be attributable to the difference in their respective net gearing ratios where Melbourne Enterprises and Associated International Hotels maintain net cash positions, whereas Tai Sang Land Development Limited and Pioneer Global Group Limited have relatively higher net gearing ratios.

We observe from the above that each of the Comparables trades at substantial discounts on a price-to-book basis, that being 0.06 to 0.25 times. This may be a reflection of the market's general negative perception towards Hong Kong's property sector and expectation that the sector may worsen in the future, necessitating downward valuations for the Comparables' property assets. As a reference, the Company has been recording multiple consecutive years of net fair value losses on its investment properties since FY2018 which has negatively impacted its net book value over time. Based on the above, it appears common for listed property companies to be traded at a discount to their net asset value in Hong Kong. For this reason, Hong Kong listed property companies' shares may continue to trade at discounts to their net asset value and it is also uncertain whether the valuations provided by the Property Valuation Reports can be realised if and when such properties are being disposed of in the property market.

Based on the above and cognizant of the phenomenon of steep discounts to book value which affects similar listed companies within this industry in general; from the perspective of market comparable analysis based on the commonly adopted valuation parameter, we are of the view that the Cancellation Price and the Total Price value the Company at a valuation which is fair and reasonable.

## **5. Privatisation precedents**

The premiums of the Cancellation Price and Total Price over the closing price figures on the Benchmark Date and various periods are considerable, as disclosed above in the section headed "4. The Cancellation Price and Total Price". While we consider analysis of privatisation precedents less relevant for the reasons explained further below, for illustrative purposes and for the Disinterested Scheme Shareholders' reference only, we have set out our observations from the list of successful privatisation transactions which scheme documents were issued in 2024. The list is exhaustive based on these criteria.

	Date of scheme document/circular	Stock code	Company name	Premium represented by the cancellation/offer price over closing share price on the last full trading day as extracted from the respective scheme document/circular
1.	23 January 2024	2698	Weiqiao Textile Company Limited	104.7%
2.	26 January 2024	1297	Sinosoft Technology Group Limited	29.4%
3.	23 February 2024	0416	Bank of Jinzhou Co., Ltd.	0.0%
4.	8 March 2024	3331	Vinda International Holdings Limited	13.5%
5.	27 March 2024	1839	CIMC Vehicles (Group) Co., Ltd.	16.5%
6.	28 March 2024	6819	Intellicentrics Global Holdings Ltd.	19.3%
7.	24 May 2024	6600	SciClone Pharmaceuticals (Holdings) Limited	33.9%
8.	28 June 2024	0638	Kin Yat Holdings Limited	33.3%
9.	2 July 2024	0973	L'Occitane International S.A.	30.8%
10.	19 July 2024	0982	Huafa Property Services Group Company Limited	30.6%
11.	29 July 2024	0800	A8 New Media Group Limited	162.8%
12.	28 August 2024	0292	Asia Standard Hotel Group	52.8%
13.	4 October 2024	0531	Samson Holding Ltd.	77.8%
14.	25 October 2024	8609	Eggriculture Foods Ltd.	125.1%
15.	19 November 2024	2115	CM Hi-Tech Cleanroom Limited	25.0%
16.	16 December 2024	1329	Beijing Capital Grand Limited	46.6%
17.	20 December 2024	0668	Doyen International Holdings Limited	78.6%
			High end	162.8%
			Low end	0.0%
			Average	51.8%
			Median	33.3%
	0878		The Company — Cancellation Price	43.7%
	0878		The Company — Total Price	62.8%

Of the 22 successful privatisation transactions which scheme documents were issued in 2024 and up to the Last Trading Date, the premium of their cancellation prices over their last trading date prices had ranged from nil to 162.8% with an average of 51.8% and median of 33.3%. Only 5 out of the 22 transactions had relevant premiums which were higher than the 62.8% on the Benchmark Date above. As a result, the relevant premiums of the Cancellation Price and the Total Price fall around the average and exceeds the median of the privatisation precedents.

From our perspective, past privatisation transactions of companies listed on the Stock Exchange are however less of a reference for assessing the fairness and reasonableness of the Cancellation Price and the Total Price considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry, and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position, as well as trading prospects, and hence differences in risk premiums afforded by the market. Accordingly, we consider that the analysis in

other sections in this letter to be more directly relevant for the Disinterested Scheme Shareholders to make an informed assessment on the fairness and reasonableness of the Cancellation Price and the Total Price.

## **RECOMMENDATIONS**

In summary, in arriving at our view and recommendations in relation to the Proposal, we have considered the following factors and reasons:

- a) Our analysis in the section headed “1.2 Historical financial performance of the Group” indicated that while property sales from property development activities had boosted overall revenue in FY2024, its major source of recurring income, being rental income, had been decreasing between FY2022 and FY2024. Moreover, real estate market weakness had resulted in continuous recognition of fair value losses on investment properties during this period. As a result, the Group has continued to record losses which had widened in FY2024.
- b) As detailed in the section headed “1.4 Industry and outlook of the Group”, various research houses hold a cautious view on the overall property industry in 2025 which may continue to weigh on the capital value of the Group’s investment properties.
- c) We have observed in the section headed “1.3 Dividends” that dividends have been paid consistently by the Group in the past five years. However, considering the Group’s declining revenues and its capital expenditure and cash flow needs for various development projects in the pipeline, the stance adopted by the Company above will likely keep dividends at lower levels in the short-to-medium term until non-cash generating projects become cash-generating.
- d) As detailed in the section headed “The Proposal”, under the Proposal, the Company will declare a Special Dividend at HK\$1.0 for each Share, subject to (i) the passing of an ordinary resolution at the SGM, and (ii) the Scheme having become binding and effective in accordance with its terms and conditions. Given that Ko Bee has irrevocably undertaken to vote in favour of approving the Special Dividend, the Special Dividend will be paid if the Scheme becomes binding and effective in accordance with its terms, the total amount the Disinterested Scheme Shareholders can expect to receive will be the Total Price of HK\$8.50 per Scheme Share.
- e) As detailed in the section headed “4.1 Historical price performance of the Shares”, the Total Price represents substantial premiums over a range of various benchmarks, including 62.8% to the closing price as on the Benchmark Date, and 43.7% over the average of closing prices of the Shares during the Review Period.

- f) As set out in the section headed “4.2 Trading liquidity of the Shares”, the average daily trading volume of the Shares during the Pre-Announcement Period of approximately 34,715 Shares, representing 0.01% over the total number of issued Shares and 0.05% of the total number of Shares held by the Disinterested Scheme Shareholders. Given the thin trading volume of the Shares during the Pre-Announcement Period, Disinterested Scheme Shareholders may encounter difficulties in selling their Shares without impacting the market price.
- g) The comparable analysis as detailed in the section headed “4.3 Comparable analysis” shows that the Company’s implied price-to-book ratios based on the Cancellation Price and the Total Price are similar to both the median and average P/B ratios of the selected Comparables.

Considering the factors above and in the absence of any alternative offer or proposal that may be of better terms, the Proposal presents an opportunity for Disinterested Scheme Shareholders to exit their investments in the Company amidst a period of uncertainties affecting the Group’s property business and possibly reallocate their investment in the Company towards other investments that they may consider more attractive in terms of outlook and potential dividend payout.

As such, we (i) are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned; and (ii) recommend the Independent Board Committee to advise the Disinterested Scheme Shareholders to vote in favour of (a) the Scheme at the Court Meeting; (b) the resolutions necessary to implement the Proposal at the SGM; and (c) the Special Dividend at the SGM.

**As different Scheme Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Scheme Shareholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.**

Yours faithfully,  
For and behalf of  
**Altus Capital Limited**

**Arnold Ip**  
*Responsible Officer*

**Chang Sean Pey**  
*Responsible Officer*

*Mr. Arnold Ip (“**Mr. Ip**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Ip has over 30 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Chang Sean Pey (“**Mr. Chang**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*This explanatory statement constitutes the statement required under section 100 of the Companies Act.*

## **1. INTRODUCTION**

On 7 March 2025, the Offeror and the Company jointly announced 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.

If the Proposal is approved and implemented:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled on the Effective Date and the Scheme Shareholders will receive the Total Price of HK\$8.5 for each Scheme Share, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror under the Scheme, 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.

The purpose of this Explanatory Statement is to explain the terms and effects of the Proposal and to provide Scheme Shareholders with other relevant information in relation to the Proposal, in particular, to provide the intentions of the Offeror with regard to the Company and the shareholding structure of the Company before and after the Scheme.

Particular attention is drawn to the following sections of this Scheme Document: (i) the letter from the Board in Part III; (ii) the letter from the Independent Board Committee in Part IV; (iii) the letter from Altus Capital in Part V and (iv) the terms of the Scheme as set out in Appendix IV to this Scheme Document.

**2. THE PROPOSAL****2.1 The Scheme and the Special Dividend**

If the Proposal is approved and implemented, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the Scheme Shareholders will receive the Total Price of HK\$8.5<sup>(Note)</sup> for each Scheme Share, comprising (i) the Cancellation Price of HK\$7.5 in cash for each Scheme Share to be paid by the Offeror under the Scheme, and (ii) the Special Dividend of HK\$1.0 in cash for each Share to be paid by the Company.

As at the date of the Latest Practicable Date, the Company had 283,308,635 Shares in issue. The Scheme Shares, comprising 70,907,005 Shares, represent approximately 25.03% of the issued share capital of the Company.

Save as disclosed above, the Company has no convertible securities, warrants, options or other relevant securities in respect of the Shares as at the Latest Practicable Date.

*Note:* The declaration of the Special Dividend of HK\$1.0, which forms part of the Total Price, is subject to (i) the passing of an ordinary resolution at the SGM to approve the Special Dividend; and (ii) the Scheme having become binding and effective in accordance with its terms and conditions. Having said that, Ko Bee (which, together with Full Match, holds 212,305,028 Shares representing approximately 74.94% of the issued Shares as at the Latest Practicable Date) has irrevocably undertaken to vote in favor of the ordinary resolution at the SGM to approve the Special Dividend and hence the Special Dividend will be paid if the Scheme becomes effective. For further details, please refer to section headed “2.3 Special Dividend” in this Explanatory Statement in this Scheme Document.

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 consolidated NAV and Adjusted NAV:

Comparison Metric	Price/net asset value per Share HK\$ (approx.)	Percentage of Premium or (Discount) represented by the Cancellation Price % (approx.)	Percentage of Premium or (Discount) represented by the Total Price % (approx.)
<b>Closing price on the Benchmark Date</b>	<b>5.22</b>	<b>43.68</b>	<b>62.84</b>
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
<b>Closing price on the Last Trading Date</b>	<b>5.5</b>	<b>36.36</b>	<b>54.55</b>
<b>Closing price on the Latest Practicable Date</b>	<b>8.04</b>	<b>(6.72)</b>	<b>5.72</b>
<b>Audited consolidated NAV per Share as at 31 December 2024</b>	<b>55.33</b>	<b>(86.44)</b>	<b>(84.64)</b>
<b>Adjusted NAV per Share</b>	<b>56.69</b>	<b>(86.77)</b>	<b>(85.01)</b>

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.

The Total Price has been determined on a commercial basis after taking into account key factors, including recent and historical traded prices of the Shares, the financial performance of the Group, trading multiples of four comparable companies listed on the Stock Exchange with a similar business model and a net asset value attributable to shareholders between HK\$5 billion and HK\$30 billion, and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this explanatory statement, including the challenges of the prevailing property market which are perceived as structural changes in the property market rather than temporary cyclical fluctuations, which may take substantial time to improve.

**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 Latest Practicable Date, 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 the Joint Announcement, this 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 Latest Practicable Date, (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).

## **2.2 Total consideration and financial resources**

As at the date of the Latest Practicable Date, the total issued share capital of the Company comprises 283,308,635 Shares.

On the assumption that no further Shares will be 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 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.

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.

### **2.3 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 as of 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 Latest Practicable Date) has irrevocably 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) to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend. As at the Latest Practicable Date, each of the Offeror and the Company is not aware of any requirement under the Takeovers Code, the Listing Rules and applicable laws and regulations that would restrict Ko Bee and/or Full Match from voting in favour of the aforesaid resolution. Accordingly, Ko Bee shall fulfill its legal commitments undertaken in the undertaking to vote in favour of the aforesaid resolution, so that the Special Dividend will be approved at the SGM, and subject to the Scheme becoming binding and effective in accordance with its terms and conditions, the Special Dividend will be paid to the Shareholders whose name appear on register of members of the Company as of the Record Date.

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.

**3. 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 fulfilment 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 modification) 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 the 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 the 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 Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, 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.

As at the Latest Practicable Date, none of the Conditions have been fulfilled or waived (as the case may be).

If the Conditions are satisfied or waived (as applicable), the Scheme is expected to become effective on 2 June, 2025 (Bermuda time) and the listing of the Shares on the Stock Exchange is expected to be withdrawn at 4:00 p.m. on Wednesday, 4 June 2025 pursuant to

Rule 6.15(2) of the Listing Rules. Further announcements will be made in relation to the results of the Court Meeting and the SGM and, if all of the requisite resolutions to approve the Scheme are passed at those meetings, the results of the Court Hearing and the SGM, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

**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.**

#### **4. THE SCHEME AND THE COURT MEETING**

Pursuant to section 99 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Court directs.

It is expressly provided in section 99 of the Companies Act that if a majority in number representing three-fourths in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting (or meetings, as the case may be, summoned as directed by the Court as aforesaid), agree to any arrangement, the arrangement shall, if sanctioned by the Court, be binding on all members or class of members, as the case may be, and also on the company.

#### **5. ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements imposed by law as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast 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 Scheme Shares held by all the Disinterested Scheme Shareholders (i.e. not more than 7,090,700 Scheme Shares).

**6. BINDING EFFECT OF THE SCHEME**

If the Scheme is approved at the Court Meeting in accordance with the requirements of section 99 of the Companies Act and Rule 2.10 of the Takeovers Code, as described above, and is sanctioned by the Court and the other Conditions are satisfied or waived (as applicable), the Scheme will be binding on the Company and all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM.

**7. EFFECT OF THE PROPOSAL ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date, the issued share capital of the Company comprises 283,308,635 Shares.

As at the Latest Practicable Date, (a) the Offeror does not own, control or has direction over any Shares; 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, of which the 96,602 Shares held by Madam Foo (being the executive Director), the 209,919,028 Shares held by Ko Bee Limited (being 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) and the 2,386,000 Shares held by Full Match Limited (a company wholly-owned by Ko Bee) will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

As at the Latest Practicable Date, 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. 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 Relevant Period.

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 Offeror Concert Parties has provided an undertaking to the Court not to attend and vote at the Court Meeting. The Offeror and such Offeror Concert Parties have also undertaken 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.

As at the Latest Practicable Date, the Disinterested Scheme Shareholders were interested in 70,907,005 Shares, representing approximately 25.03% of the issued share capital of the Company. Such Shares will form part of the Scheme Shares.

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date, and (ii) upon the Scheme becoming effective, assuming that there are no other changes in the shareholding of the Company between the Latest Practicable Date and the Record Date:

	As at the Latest Practicable Date		Upon the Scheme becoming effective	
	<i>Approximate % of the issued share</i>		<i>Approximate % of the issued share</i>	
	<i>Number of Shares</i>	<i>capital of the Company<sup>(5)</sup></i>	<i>Number of Shares</i>	<i>capital of the Company<sup>(5)</sup></i>
The Offeror <sup>(1)</sup>	—	—	70,907,005	25.03%
The Offeror Concert Parties not subject to the Scheme				
— Foo Kam Chu Grace <sup>(2)</sup>	96,602	0.03%	96,602	0.03%
— Ko Bee Limited <sup>(3)</sup>	209,919,028	74.10%	209,919,028	74.10%
— Full Match Limited <sup>(4)</sup>	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	70,907,005	25.03%	—	—
Total	<u>283,308,635</u>	<u>100%</u>	<u>283,308,635</u>	<u>100%</u>

*Notes:*

- (1) The Offeror is a company incorporated in 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.

**8. IRREVOCABLE UNDERTAKINGS TO ACCEPT THE PROPOSAL**

As at the Latest Practicable Date, the Offeror or the Offeror Concert Parties have not received any irrevocable commitment to vote for or against the Scheme.

**9. 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 2024, leasing revenues have dropped by over 30%.

Set out below is a summary of property leasing revenue, the fair value loss on investment properties and value of investment properties since 2020.

<i>HK\$ million</i>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Property leasing revenue	478.48	418.92	376.13	351.68	331.40
Year-over-year change	-10.11%	-12.45%	-10.21%	-6.50%	-5.77%
Investment properties <sup>(Note)</sup>	20,626.63	19,808.52	19,374.61	18,171.02	15,266.45
Year-over-year change	-2.64%	-3.97%	-2.19%	-6.21%	-15.98%
Net fair value loss on investment properties	453.00	1,077.46	464.27	1,212.86	2,900.96

*Note: The value of investment properties is as of 31 December of the respective year.*

Given that approximately two-thirds of the investment properties of the Group are rental properties valued using the income method, the decline in rental income has adversely impacted the overall valuation. On the other hand, the capitalisation rate of completed investment properties has remained stable between 2.25% and 3.5% from 2018 to 2022, and began to gradually increase to 2.38% to 3.5% as of 31 December 2023 and 2.75% to 3.5% as of 31 December 2024. This is one of the reasons for the intensified decline in the valuation of the investment properties of the Group over the past two years. In particular, the net fair value loss on investment properties of approximately HK\$2.9 billion for the year ended 31 December 2024 was nearly double the Company's market capitalisation of approximately HK\$1.56 billion right before the privatisation proposal as of the Last Trading Date. This clearly demonstrates the significant impact that the increase in the capitalisation rate has on property valuations. From the Company's perspective, with regards to either the Company or the overall Hong Kong property market, the capitalisation rate is likely to continue to rise.

#### Headwinds in the economy

In the current global economic environment, geopolitical risks have significantly increased, particularly due to the recent market turmoil triggered by the United States' tariff policies, which have placed considerable pressure on global trade and investors. Such policies do not only affect trade relations between the United States and China but also cause fluctuations in global stock markets, leading to greater uncertainty for minority shareholders.

Furthermore, due to the imposition of tariffs, inflation expectations in the United States has increased, and the prospect of interest rate cuts has been pushed back, with even the possibility of interest rate hikes on the table. As a result, interest rates in Hong Kong are unlikely to decline since the Hong Kong dollar is pegged to the US dollar. Moreover, if the U.S. raises interest rates, Hong Kong will have no choice but to follow suit, which will prevent the capitalisation rate in the real estate market from falling but continue rising.

### Headwinds in Hong Kong retail market — Change in spending habits of PRC visitors

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.

During the pandemic, while Hong Kong remained closed off from mainland China and the rest of the world, there were hopes that the retail market would significantly improve once borders reopened, potentially returning to pre-pandemic levels. However, after the reopening at the end of 2022, these expectations were not realised. According to the Census and Statistics Department of the Hong Kong Government, the total number of visitors and visitors from the PRC stood at only around 45 million and 34 million in 2024, respectively, representing a significant shortfall compared to annual averages of 59 million and 45 million total number of visitors and visitors from the PRC between 2013 and 2019 before the pandemic outbreak and social unrest. Moreover, the spending patterns of PRC visitors, who make up the majority of the visitor demographic, have also changed dramatically, with a substantial decline in per capita spending. Further data from the Census and Statistics Department shows that the per capita spending of non-overnight mainland visitors in 2024 was around HK\$1,286, the lowest since 2006, while the per capita spending of overnight visitors was around HK\$4,958, the lowest since 2007.

At the same time, more local residents in Hong Kong are traveling to the PRC for shopping, offsetting and even surpassing the spending power of PRC visitors in Hong Kong. For example, during the Ching Ming festival holiday period from 3 to 6 April this year, which is also known as “Mini Golden Week”, the total number of passengers departing from Hong Kong exceeded that of passengers arriving at Hong Kong, according to the Immigration Department of the Hong Kong Government. These structural changes have further exacerbated the bleak outlook for Hong Kong’s retail market.

### Headwinds in the Hong Kong property market

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. According to the Land Registry of the Hong Kong Government, the transaction volume of non-residential building units in Hong Kong dropped by approximately 32.2% between 2018 (the latest year before the COVID-19 pandemic and social unrest in Hong Kong) and 2024.

Moreover, it is possible that the market has yet to hit its lowest point and may be more severe than indicated by the current lagging market data. On 17 March 2025, Hong Kong Management Association, the Hang Seng University of Hong Kong, and Hong Kong Economic Journal Monthly organised “Annual Public Forum — How Hong Kong Can Open a New Economic Landscape Amidst Change” (週年公開論壇 — 在變局中，香港如何打開一個新的經濟局面)<sup>(Note)</sup>, where Mr. Joseph Tsang, Chairman of JLL Hong Kong, expressed that the local commercial property sector faces “a significant commercial black hole” due to the twin pressures of high interest rates and weak demand and “it is not even close to the bottom”. He explained that, due to the Hong Kong’s pegged exchange rate system with the US dollar, Hong Kong faces constraints in reducing interest rates during economic downturns. Currently, borrowing costs for developers, even for the first tier ones, could be at least Hong Kong Interbank Offered Rate (HIBOR) plus 100 basis point (approximately 5%), while some small to medium-sized developers are being forced to take on loans with interest rate at double-digit. At the same time, the rental income from the commercial properties is likely to continue to decline, forcing them to dispose of properties at a loss. It is noted that the pipeline of distressed assets is growing, while the pool of buyers is shrinking significantly. Capital controls in mainland China are strict and becoming more stringent so, while international funds are avoiding Hong Kong due to political reasons or low returns (i.e., bank financing costs could exceed 7%, and weak leasing demand makes it difficult to service debts). Local buyers are limited and also very selective.

Furthermore, there may be surplus of non-residential space in Hong Kong in the foreseeable future. According to the research report headed “Vertical Urban Ecosystems: Reinvigorating Hong Kong’s Office Buildings” issued by CBRE in March 2025, Hong Kong developers added approximately 8.5 million square feet of office space since mid-2019. It is noted that new spaces are entering the market in Causeway Bay, including the upcoming commercial tower, namely Lee Garden Eight, which spans over 1 million square feet, and the upcoming new Grade A office and retail complex redeveloped from the then Excelsior Hotel.

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, particularly with the recent market turmoil adding to the existing pressures. 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.

*Note:* <https://www.youtube.com/watch?v=8PqXa0J1ygo&t=781s>

*(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. 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. Buyers are increasingly selective especially given the difficulty in obtaining bank financing for real estate purchases in Hong Kong today and very few buyers are capable or willing to make full payments.

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 and 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 non-residential properties, which comprises the Group's core property portfolio.

*(iii) Long-term strategic plan involving rising construction costs and capital expenditure*

The Group plans to implement a long-term strategic plan to manage the currently operating challenges by entering an extended investment cycle to turn the capital investment into revenue-generating asset, including undertaking two development projects, namely 42–44 Yiu Wa Street in Causeway Bay and 13–17 Wah Sing Street in Kwai Chung. Construction expenses, which are expected to exceed HK\$2.2 billion, 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, and during this period, return to Shareholders could be worse than the preceding years. 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.

*(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 the date of the 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*

Over the past 10 years, both listed companies under the Hang Seng Property Index (HSP) and the real estate category of the Bloomberg Industry Classification Standard (BICS), including the Company, have experienced a significant increase of approximately 48% in their discounts to NAV per share. The Company's shares have also experienced an approximately 50% increase in the discount to NAV per Share. In light of this increasingly common market phenomenon in Hong Kong where the stock market value decouples from the NAV of property issuers, the price to book has become less meaningful as a valuation metric.

In fact, 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 and other exit options***

The Offeror and the Offeror Concert Parties, with Madam Foo being the founder 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.

Furthermore, the Company has no intention to divest its major investment properties in the short to medium term, as one of its objectives is to ensure the continuity of the long-term business model. The Company's long term business model is the acquisition and redevelopment of old buildings. The Group's core properties are developed through consolidating ownership of old buildings through a meticulous process of acquiring each individual unit of the old buildings, and then demolishing and rebuilding the property. The development process for each core property can take decades, and once they are successfully redeveloped, the Group holds these assets for long-term. Therefore, patience and a long-term perspective are ingrained in the Group's DNA. Even though the Hong Kong economy and real estate market currently face significant headwinds, the Company will continue to patiently cultivate these assets and its core business, and as mentioned earlier, invest substantial funds into a new round of long-term investments. As a result, minority shareholders may find it challenging to identify alternative exit options.

**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.

## **10. INTENTIONS OF THE OFFEROR WITH REGARD TO THE GROUP**

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. For the avoidance of doubt, the Offeror, being a controlled entity under the family trust of Madam Foo (as the founder and management of the Group), plans to implement the long-term strategic plan mentioned in the subsection headed "(iii) Long-term strategic plan involving rising construction costs and capital expenditure" in this Explanatory Statement, regardless of whether the Proposal becomes effective, and has no intention to divest its major investment properties of the Group in the short to medium term.

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.

The Board welcomes the intentions of the Offeror in respect of the Group and its employees and will cooperate with and provide full support to the Offeror to facilitate the continued smooth business operations and management of the Group.

As at the Latest Practicable Date, the controlling shareholder (has the meaning as ascribed it to under the Listing Rules) of the Company, namely Ko Bee, and the core connected persons (has the meaning as ascribed it to under the Listing Rules) of the Company, namely Full Match and Madam Foo, collectively owned 212,401,630 Shares, representing approximately 74.97% of the entire issued share capital of the Company. In the event that the Scheme does not become effective or the Proposal otherwise lapses, no Scheme Shares would be cancelled and, the aforesaid shareholding will remain unchanged, and thus the public float requirement pursuant to Rule 8.08 of the Listing Rules would be met.

## **11. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES**

The Offeror is a company incorporated in BVI with limited liability which is wholly owned by Ko Bee. Ko Bee is a company incorporated in 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 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.

## **12. 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.

## **13. SHARE CERTIFICATES, DEALINGS AND LISTING**

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 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 is included in the section headed “Expected Timetable” in Part II of this Scheme Document.

#### **14. IF THE PROPOSAL IS NOT APPROVED OR LAPSES**

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.

#### **15. COSTS OF THE SCHEME**

If the Independent Board Committee does not recommend the Proposal or the Independent Financial Adviser does not recommend the Proposal as fair and reasonable, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code. Since the Independent Board Committee has recommended the Proposal and the Independent Financial Adviser has recommended the Proposal as fair and reasonable, Rule 2.3 of the Takeovers Code is not applicable. The Company and the Offeror have agreed that each party shall bear their own costs, charges and expenses of and incidental to the Proposal and the Scheme.

#### **16. REGISTRATION AND PAYMENT**

##### **16.1 Closure of the register of members of the Company**

In order to determine the entitlements of the Scheme Shareholders to receive the Cancellation Price and of the Shareholders to receive the Special Dividend, the register of members of the Company will be closed from Friday, 30 May 2025 onwards (or such other date as may be notified to the Shareholders by announcement). In order to qualify for such entitlements, the Scheme Shareholders or Shareholder (as the case may be) should ensure that their Shares are registered or lodged for registration in their names before the latest time for lodging transfer of Shares to qualify for entitlements to the Cancellation Price and/or the Special Dividend, being 4:30 p.m. on Thursday, 29 May 2025. The Share Registrar is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

**16.2 Payment of the Cancellation Price and Special Dividend to the Scheme Shareholders**

If the Proposal is approved and implemented, payment of (i) the Cancellation Price will be made to the Scheme Shareholders and (ii) the Special Dividend will be made to the Shareholders, whose names appear on the register of members of the Company as at the Record Date, as soon as possible but in any event no later than seven Business Days after the Effective Date. On the basis that the Scheme becomes effective on Monday, 2 June 2025 (Bermuda time), cheques for payment of the Cancellation Price and the Special Dividend are expected to be despatched on or before Wednesday, 11 June 2025.

Cheques for the payment of the Cancellation Price and the Special Dividend will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in the register of members of the Company in respect of the joint holding. For Beneficial Owners that hold Scheme Shares through a nominee (other than HKSCC Nominees Limited), cheques made out in the name of the Registered Owner will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the Registered Owner. For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, the Cancellation Price and the Special Dividend will be paid to HKSCC Nominees Limited by cheque and such payment will be caused to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All such cheques will be posted at the risk of the addressees and other person(s) entitled thereto and none of the Offeror, the Company, Anglo Chinese, Altus Capital, the Share Registrar or any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, the Offeror and the Company shall have the respective right to cancel or countermand payment of any such cheque relating to the Cancellation Price and/or the Special Dividend (as the case may be) which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit or custodian account in name of the Offeror or the Company (as the case may be) with a licensed bank in Hong Kong selected by the Offeror.

The Offeror and the Company shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments from such monies of the sums payable to persons who satisfy the Offeror and/or the Company (as the case may be) that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. Any payments made by the Offeror and/or the Company (as the case may be) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Proposal and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror and/or the Company (as the case may be) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror and/or the Company (as the case may be) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Offeror and the Company shall be released from any further obligation to make any payments under the Proposal and the Offeror and the Company shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit or custodian account in their respective names including accrued interest subject to any deduction required by law and expenses incurred.

Assuming that the Scheme becomes effective, the share certificates for the Scheme Shares will cease to have effect as documents or evidence of title from the Effective Date, which is expected to be on Monday, 2 June 2025 (Bermuda time).

Settlement of the Cancellation Price and the Special Dividend to which the Scheme Shareholders and the Shareholders, respectively, are entitled will be implemented in full in accordance with the terms of the Proposal, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror and/or the Company may otherwise be, or claim to be, entitled against any such Scheme Shareholders.

## **17. OVERSEAS SCHEME SHAREHOLDERS**

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

This Scheme Document does not constitute an offer to buy or sell Shares or the solicitation of an offer to buy or subscribe for the Shares in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

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. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, it is prohibited to (i) copy, distribute or publish all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction; (ii) disclose its content; or (iii) use information contained therein for any purpose other than assessment of the Proposal, unless the information is already publicly available in another form.

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. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

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. If you are in doubt as to your position, you should consult your professional advisers.

As at the Latest Practicable Date, there were four overseas Scheme Shareholders located in Macau, the PRC and the United Kingdom holding a total of 9,334 Scheme Shares, representing approximately 0.003% of the entire issued share capital of the Company.

## **18. TAXATION**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance upon the Scheme becoming effective.

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, Altus Capital 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.

**It is emphasised that none of the Offeror, the Company, Anglo Chinese, Altus Capital, any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other person involved in the Proposal accepts any responsibility in relation to any tax or other effects on, or liabilities of, any person as a result of their approval or disapproval of the Proposal. All Scheme Shareholders and/or Beneficial Owners shall be solely responsible for their liabilities (including tax liabilities) in relation to the Proposal.**

## **19. COURT MEETING AND SGM**

In accordance with the directions of the Court, the Court Meeting will be convened for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modification).

Such resolution will be passed under the Companies Act if a majority in number 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, vote in favour of the Scheme. However, the Scheme will only be considered to have been approved under the Takeovers Code if (i) the Scheme is approved (by way of a 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 (ii) the number of votes cast (by way of a 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. As at the Latest Practicable Date, all Scheme Shares are Disinterested Scheme Shares.

Only Scheme Shareholders whose names appear in the register of members of the Company as at the Meeting Record Date may attend and vote, in person or by proxy, at the Court Meeting and be counted as members of the Company for the purpose of calculating whether or not a majority in number of members of the Company have approved the Scheme at the Court Meeting under section 99 of the Companies Act. In accordance with the directions from the Court, HKSCC Nominees Limited will be counted as one Scheme Shareholder and may vote for or against the Scheme according to the majority of voting instructions as represented by the Scheme Shares it receives. The number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be disclosed to the Court and may be taken into account by the Court in determining whether or not the Court should exercise its discretion to sanction the Scheme.

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 the Scheme, but only the votes of the Disinterested Scheme Shareholders will be taken into account in determining if Condition (a)(ii) set out in the section headed “3. CONDITIONS OF THE PROPOSAL AND THE SCHEME” above is satisfied, and therefore the Shares held by the Offeror and the Offeror Concert Parties will not be taken into account in this respect. 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 has provided an undertaking to the Court not to attend and vote at the Court Meeting. The Offeror and such Offeror Concert Parties have also undertaken 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.

The SGM will be held for the purpose of considering and, if thought fit, passing (i) a special resolution to approve and give effect to, among other things, 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) an ordinary resolution to approve 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 irrevocably 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) to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend.

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, in person or by proxy, at the SGM.

Voting at the Court Meeting and at the SGM will be taken by poll as required under the bye-laws of the Company, the Listing Rules and the Takeovers Code.

Announcement(s) will be made by the Company and the Offeror in relation to the results of the Court Meeting and the SGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable. Information on the number of votes cast for and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement(s).

Notices of the Court Meeting and the SGM are set out in Appendix V and Appendix VI of this Scheme Document, respectively.

## **20. RECOMMENDATIONS**

Your attention is drawn to the following:

- (a) the letter from the Independent Board Committee in Part IV of this Scheme Document; and

- (b) the letter from Altus Capital in Part V of this Scheme Document which sets out the factors and reasons taken into account by Altus Capital in arriving at its advice to the Independent Board Committee.

**21. ACTIONS TO BE TAKEN**

Actions to be taken by the Scheme Shareholders are set out in the section headed “IMPORTANT NOTICE AND ACTIONS TO BE TAKEN” of this Scheme Document.

**22. FURTHER INFORMATION**

Further information is set out in the Appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Statement.

You should rely only on the information contained in this Scheme Document in order to vote your Shares at the Court Meeting and the SGM. None of the Offeror, the Company, Anglo Chinese, Altus Capital, any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other person involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

**23. GENERAL**

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy and Form of Acceptance shall prevail over the Chinese language text.

## 1. FINANCIAL SUMMARY

The following summary financial information for each of the three years ended 31 December 2022, 2023 and 2024 is extracted from the annual reports of the Company for the years ended 31 December 2022 (the “**2022 Annual Report**”), 2023 (the “**2023 Annual Report**”) and 2024 (the “**2024 Annual Report**”) respectively.

The audited consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024 have been audited by Deloitte Touche Tohmatsu, did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which were material in respect of the consolidated financial results of the Group for three years ended 31 December 2022, 2023 and 2024.

	<b>For the year ended 31 December,</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Audited)
Total revenue	478,376	395,892	1,229,732
Gross profit	395,788	353,488	701,026
Loss before income tax	(181,671)	(623,693)	(2,407,664)
Tax expenses	(80,720)	(22,810)	(83,907)
Loss for the year	(262,391)	(646,503)	(2,491,571)
Loss attributable to shareholders of the Company	(268,201)	(646,511)	(2,491,851)
Profit attributable to non-controlling interests	5,810	8	280
Total comprehensive expenses attributable to shareholders of the Company	(294,353)	(659,308)	(2,498,498)
Total comprehensive (expense)/income attributable to non-controlling interests	3,879	198	(148)
Basic loss per share (HK\$)	(0.95)	(2.28)	(8.80)
Dividend per share (HK\$)			
— final dividend	0.20	0.20	—
— special dividend	—	0.80	—

## 2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”) can be found on pages 176 to 332 of the 2022 Annual Report published on 20 April 2023.

The 2022 Annual Report is posted on the Company’s website at [www.soundwill.com.hk](http://www.soundwill.com.hk). Please also see below a direct link to the 2022 Annual Report:

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

The audited consolidated financial statements of the Group for the year ended 31 December 2023 (the “**2023 Financial Statements**”) can be found on pages 196 to 332 of the 2023 Annual Report published on 17 April 2024.

The 2023 Annual Report is posted on the Company’s website at [www.soundwill.com.hk](http://www.soundwill.com.hk). Please also see below a direct link to the 2023 Annual Report:

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

The audited consolidated financial statements of the Group for the year ended 31 December 2024 (the “**2024 Financial Statements**”) can be found on pages 208 to 336 of the 2024 Annual Report published on 16 April 2025.

The 2024 Annual Report is posted on the Company’s website at [www.soundwill.com.hk](http://www.soundwill.com.hk). Please see below a direct link to the 2024 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0416/2025041600724.pdf>

The 2022 Financial Statements (but not any other part of the 2022 Annual Report), the 2023 Financial Statements (but not any other part of the 2023 Annual Report) and the 2024 Financial Statements (but not any other part of the 2024 Annual Report) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

### **3. STATEMENT OF INDEBTEDNESS**

At the close of business on 28 February 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Scheme Document, the Group had the following indebtedness:

#### **Borrowings**

Secured and guaranteed bank borrowings of approximately HK\$1,356,596,000. The bank borrowings were secured by certain properties of the Group, and guaranteed by the Company and/or a subsidiary of the Company.

#### **Lease liabilities**

Lease liabilities amounting to approximately HK\$36,464,000 which were secured by rental deposits and unguaranteed.

**Contingent liabilities**

As at 28 February 2025, the Group provided guarantees amounted to approximately HK\$27,337,000 to banks with respect to mortgage loans procured by the purchasers of the Group's properties.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business of the Group, the Group did not have any other debt securities, term loans or other outstanding borrowings or indebtedness including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase commitments, debentures, mortgages, charges, guarantees or other material contingent liabilities as at 28 February 2025.

**4. MATERIAL CHANGE**

The Directors confirm that there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

**5. PROPERTY INTERESTS AND ADJUSTED NAV**

The valuation of the property interests of the Group as at 28 February 2025 has been conducted by Cushman & Wakefield Limited (“C&W”) with respect to the property interests in Hong Kong and Vincorn Consulting and Appraisal Limited (“Vincorn”) with respect to the property interests in the PRC, the independent property valuers to the Company. The market value of the aforesaid property interests as at 28 February 2025 was HK\$16,778.2 million. Further details of the aforementioned property interests and the corresponding property valuation reports prepared by C&W and Vincorn are set out in Appendix II to this Scheme Document.

By taking into account the effect of revaluation loss arising from the valuation of the aforementioned property interest, set out below is the calculation of the Adjusted NAV of the Group.

	<i>Note</i>	HK\$
<b>Audited net asset value of the Group as at 31 December 2024</b>		<b>15,676,741,000</b>
<i>Adjustments:</i>		
Less: revaluation loss on investment properties	1	(14,744,176)
Add: net fair value gain on property for sales and leasehold land and building	2	427,270,186
Less: Deferred taxation	3	<u>(27,511,320)</u>
<b>Adjusted NAV</b>		<b><u>16,061,755,690</u></b>
<b>Adjusted NAV per Share</b>	4	<b><u>56.69</u></b>

*Notes:*

- 1 The revaluation loss is calculated based on the difference between (i) the total market value of the investment properties of the Group as at 28 February 2025 of approximately HK\$15,234.3 million, deducting the investment properties of approximately HK\$24.4 million acquired after 31 December 2024 which were contained in the property valuation report prepared by C&W in Appendix II to this Scheme Document and (ii) the audited book value of the investment properties measured at fair value attributable to the Company as at 31 December 2024 of approximately HK\$15,224.6 million.
- 2 The revaluation gain is calculated based on the difference between (i) the total market value of the properties for sales and leasehold land and building of the Group as at 28 February 2025 of approximately HK\$1,543.9 million as set out in the property valuation report prepared by C&W and Vincorn in Appendix II to this Scheme Document and (ii) the audited book value of the properties for sales and leasehold land and building measured at cost attributable to the Company as at 31 December 2024 of approximately HK\$1,116.7 million.
- 3 It represents the deferred tax on temporary differences between the market values of the Properties and the corresponding tax base used in computation of taxable profit, without considering the impact of other unrecognised temporary differences of the Group. Since all the revaluation deficit is attributed to property interests in the PRC, the Enterprise Income Tax of 25% is applied.
- 4 It is calculated based on 283,308,635 Shares in issue as at 31 December 2024.

*The following is the text of the letter, a summary of valuations and the valuation report prepared for the purpose of incorporation in this Scheme Document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the Properties as of 28 February 2025.*



27/F One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

30 April 2025

The Board of Directors  
Soundwill Holdings Limited  
21/F, Soundwill Plaza  
38 Russell Street  
Causeway Bay  
Hong Kong

Dear Sirs,

**Re: Portfolio Valuation**

**INSTRUCTIONS, PURPOSE & VALUATION DATE**

In accordance with the instruction of Soundwill Holdings Limited (the “**Company**”) for us to carry out market valuations of the properties in Hong Kong in which the Company and/or its subsidiaries (together referred to as the “**Group**”) have interests, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of the properties as at 28 February 2025 (the “**Valuation Date**”).

**BASIS OF VALUATION**

Our valuation of each of the properties represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of The Hong Kong Limited and Rule 11 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission and The HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors.

**VALUATION ASSUMPTIONS**

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

**METHOD OF VALUATION**

We have generally valued the properties by market approach assuming sale of the properties in their respective existing state by making reference to comparable sales transactions as available in the relevant market, or wherever appropriate, by income approach by capitalising the rental income derived from the existing tenancies with due provision for any reversionary income potential. Where applicable, we have also taken into account the potential of the properties for redevelopment.

**SOURCE OF INFORMATION**

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, identification of properties, particulars of occupancy, site and floor areas, site and floor plans, number of parking spaces, interest attributable to the owner and all other relevant matters. Dimensions and measurements are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out.

**TITLE INVESTIGATION**

We have not been provided with copies of the title documents relating to the Property but have caused searches to be made at the Land Registry. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

## SITE INSPECTION

Our valuers, Cliff Ng (MRICS, MHKIS, R.P.S. (GP)), Terrence Lai (MRICS, MHKIS), Angus Tse (MRICS, MHKIS), Karis Lee (Probationer of RICS), Jason Kwan (Probationer of HKIS) and Chris Ng (Probationer of HKIS) inspected the exterior of the properties between January and March 2025. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services. Moreover, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas advised by the Company or shown on the documents handed to us are correct.

## POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of the property interest held by the Group at the amount valued by us mainly comprise the following:

- Profits tax at 8.25% on assessable profits up to \$2,000,000; and 16.5% on any part of assessable profits over \$2,000,000 (minus any profit which is capital in nature)
- Stamp duty at a minimum of HKD100, progressive rates from 1.5% to 4.25%

In respect of the properties held by the Group, the likelihood of the relevant tax liabilities being crystallised is remote as the Group have no existing plans for the disposal of such properties.

## OTHER DISCLOSURE

We hereby confirm that Cushman & Wakefield Limited and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## CURRENCY AND EXCHANGE RATE

Unless otherwise stated, all sums stated in our valuations are in Hong Kong Dollars (“HKD”), the official currency of the Hong Kong.

**INTENDED USE OF REPORT**

This valuation report is issued for the use of the Company for regulatory disclosure purpose.

We attach herewith a summary of valuations and our valuation report.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**

**K.B. Wong**  
*MRICS, FHKIS, R.P.S. (GP)*  
*Executive Director*  
Valuation & Advisory Services, Hong Kong

*Note:* Mr. K.B. Wong is a Member of the Royal Institution of Chartered Surveyors, a Fellow of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice) who has over 35 years of experience in the professional property valuation and advisory in Hong Kong. Mr. Wong has sufficient knowledge of the market, and the skills and understanding to undertake the valuation competently.

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at <b>28 February 2025</b> <i>HK\$</i>	Interest attributable to the Group (%)	Market Value in existing state as at <b>28 February 2025</b> attributable to the Group <i>HK\$</i>
<b>Group I — Property interests held for investment</b>			
1. 3rd Floor, 4th Floor and Roof and Pavilion, 173 Wong Nai Chung Road, Happy Valley, Hong Kong	13,300,000	100%	13,300,000
2. 5th Floor and Roof, 251 Queen's Road East, Wan Chai, Hong Kong	4,100,000	100%	4,100,000
3. Various units of 26, 26A and 28 Russell Street, Causeway Bay, Hong Kong	32,600,000	100%	32,600,000
4. 4th Floor and 5th Floor, 164A Tung Lo Wan Road, Causeway Bay, Hong Kong	6,000,000	100%	6,000,000
5. Various units of Pak Shing Building, 168–174 Tung Lo Wan Road, Causeway Bay, Hong Kong	36,500,000	100%	36,500,000
6. Various units of 18 and 20 Russell Street, Causeway Bay, Hong Kong	73,500,000	100%	73,500,000
7. Various units of 124, 124A and 126 Tung Lo Wan Road, Causeway Bay, Hong Kong	71,800,000	100%	71,800,000
8. 3rd Floor, 29 Ming Yuen Western Street, North Point, Hong Kong	4,500,000	100%	4,500,000

Property	Market value in existing state as at <b>28 February 2025</b>	Interest attributable to the Group	Market Value in existing state as at <b>28 February 2025</b>
	HK\$	(%)	HK\$
9. Various units of 35, 37, 39 and 41 Ming Yuen Western Street, North Point, Hong Kong	38,200,000	100%	38,200,000
10. Various units in Park Haven, 38 Haven Street, Causeway Bay, Hong Kong	95,100,000	100%	95,100,000
11. Ground Floor, 7 Haven Street, Causeway Bay, Hong Kong	12,200,000	100%	12,200,000
12. Ground Floor, 13 Haven Street, Causeway Bay, Hong Kong	15,200,000	100%	15,200,000
13. Various units in Haven Court, 128–138 Leighton Road, 2–28 Haven Street, Causeway Bay, Hong Kong	1,730,000,000	100%	1,730,000,000
14. Shop 27, Ground Floor, Lei-Shun Court, 106–126 Leighton Road, 1–5 Haven Street & 1 Caroline Hill Road, Causeway Bay, Hong Kong	23,200,000	100%	23,200,000
15. The Lower Commercial Accommodation and Advertising Signage Areas A, B, C, D and E, The Sharp, 11 Sharp Street East, Causeway Bay, Hong Kong	100,800,000	100%	100,800,000
16. Shop A on Ground Floor, 1–1A Yiu Wa Street, Causeway Bay, Hong Kong	51,000,000	100%	51,000,000

Property	Market value in existing state as at <b>28 February 2025</b>	Interest attributable to the Group	Market Value in existing state as at <b>28 February 2025</b>
	HK\$	(%)	HK\$
17. Various units of 3A Kennedy Street, Wan Chai, Hong Kong	26,900,000	100%	26,900,000
18. Various units of 5 and 7 Kennedy Street, Wan Chai, Hong Kong	12,500,000	100%	12,500,000
19. Basement, 9 Kennedy Street, Wan Chai, Hong Kong	5,100,000	100%	5,100,000
20. Flat A on 4th Floor, Flats B and C on 5th Floor and Roofs, 1–2 Canal Road East, Causeway Bay, Hong Kong	13,400,000	100%	13,400,000
21. 3rd Floor, 123A Wan Chai Road, Wan Chai, Hong Kong	3,400,000	100%	3,400,000
22. Various units of 37–39 Tang Lung Street, Causeway Bay, Hong Kong	13,100,000	100%	13,100,000
23. 32 Tang Lung Street, Causeway Bay, Hong Kong	69,000,000	100%	69,000,000
24. 34 Tang Lung Street, Causeway Bay, Hong Kong	64,000,000	100%	64,000,000
25. Majority Portion of Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong	6,592,000,000	100%	6,592,000,000

Property	Market value in existing state as at 28 February 2025 HK\$	Interest attributable to the Group (%)	Market Value in existing state as at 28 February 2025 attributable to the Group HK\$
26. Soundwill Plaza II — Midtown, 1 Tang Lung Street, Causeway Bay, Hong Kong	2,671,000,000	100%	2,671,000,000
27. 29 Tang Lung Street, Causeway Bay, Hong Kong	67,000,000	100%	67,000,000
28. 1st Floor and 3rd Floor, 38 Marble Road, North Point, Hong Kong	17,500,000	100%	17,500,000
29. Flat C, 1st Floor, Ching Wah Mansion, 1 Ching Wah Street, North Point, Hong Kong	4,800,000	100%	4,800,000
30. 4th Floor, 16A Possession Street, 3rd and 4th Floors, 18 Possession Street, Sheung Wan, Hong Kong	11,900,000	100%	11,900,000
31. 1st Floor and 4th Floor, 22 Possession Street, Sheung Wan, Hong Kong	8,600,000	100%	8,600,000
32. 1st Floor and Flat Roof, 24 Possession Street, Sheung Wan, Hong Kong	4,800,000	100%	4,800,000
33. 4th Floor, 26 Yiu Wa Street, Causeway Bay, Hong Kong	5,700,000	100%	5,700,000
34. 2nd Floor, 28 Yiu Wa Street, Causeway Bay, Hong Kong	5,900,000	100%	5,900,000

Property	Market value in existing state as at 28 February 2025 HK\$	Interest attributable to the Group (%)	Market Value in existing state as at 28 February 2025 attributable to the Group HK\$
35. 4th Floor, 55 Percival Street, Causeway Bay, Hong Kong	5,900,000	100%	5,900,000
36. 1/3 Share of 3rd Floor and Roof, 30 Marble Road, North Point, Hong Kong	2,500,000	100%	2,500,000
37. 7 Car Parking Spaces, Golden Lodge, 9 Bonham Road, Mid-Levels, Hong Kong	8,400,000	100%	8,400,000
38. Car Parking Space No. R27 and Motorcycle Parking Space No. M1, M2 and M3, Warrenwoods, 23 Warren Street, Causeway Bay, Hong Kong	1,700,000	100%	1,700,000
39. 1st Floor, 2nd Floor, 5th Floor and Roof, 25 Canal Road East, Causeway Bay, Hong Kong	15,500,000	100%	15,500,000
40. 2nd Floor, 49 Sharp Street East, Causeway Bay, Hong Kong	5,100,000	100%	5,100,000
41. Kai Kwong Commercial Building, 332–334 Lockhart Road, Wan Chai, Hong Kong	334,000,000	100%	334,000,000
42. 42 and 44 Yiu Wa Street, Causeway Bay, Hong Kong	450,000,000	100%	450,000,000

Property	Market value in existing state as at 28 February 2025 HK\$	Interest attributable to the Group (%)	Market Value in existing state as at 28 February 2025 attributable to the Group HK\$
43. Shop A on Ground Floor, Tang Fai Building, 36–48 Tang Lung Street, Causeway Bay, Hong Kong	53,000,000	100%	53,000,000
44. Various units of (A Block), Cathay Mansion, 3–17 Tung Lo Wan Road, Causeway Bay, Hong Kong	277,400,000	100%	277,400,000
45. 2nd Floor and 3rd Floor, 6B Peace Avenue, Ho Man Tin, Kowloon	18,500,000	100%	18,500,000
46. 1st Floor, 6A Peace Avenue, Ho Man Tin, Kowloon	10,300,000	100%	10,300,000
47. Various units of 8 San Lau Street, Hung Hom, Kowloon	22,700,000	100%	22,700,000
48. Ground Floor, Mezzanine Floor and 3rd Floor, 16 San Lau Street, Hung Hom, Kowloon	16,300,000	100%	16,300,000
49. 10–11 Knutsford Terrace, Tsim Sha Tsui, Kowloon	1,097,000,000	100%	1,097,000,000
50. Various units of 34, 34A, 36, 38, 38A and 40 Portland Street, Yau Ma Tei, Kowloon	16,990,000	100%	16,990,000
51. 3rd and 5th Floors, 26 Waterloo Road, Yau Ma Tei, Kowloon	11,660,000	100%	11,660,000

Property	Market value in existing state as at 28 February 2025 HK\$	Interest attributable to the Group (%)	Market Value in existing state as at 28 February 2025 attributable to the Group HK\$
52. Various units on Tung Ming Industrial Building, 3 San Yick Lane, Tuen Mun, New Territories	116,800,000	100%	116,800,000
53. Factory Flats A and B on 4th Floor including Portions of Flat Roofs adjacent thereto, Prince Industrial Building, 5 Sun Yip Street, Chai Wan, Hong Kong	34,500,000	100%	34,500,000
54. Workshops 01 and 02 on Ground Floor, iPlace, 303 Castle Peak Road Kwai Chung, Tsuen Wan, New Territories	15,900,000	100%	15,900,000
55. Units D and E on 2nd Floor, Building B, Mercantile Industrial & Warehouse Building, 16/24 Ta Chuen Ping Street, Kwai Chung, New Territories	34,900,000	100%	34,900,000
56. Factory Units E, H, I and J on 6th Floor and Factory Unit J on 16th Floor and Portion of Main Roof, Fu Cheung Centre, 5-7 Wong Chuk Yeung Street, Fo Tan, New Territories	38,100,000	100%	38,100,000
57. Various workshops of Block C and Block D and Car Parking Space No. 111 on 1st Floor, Tsing Yi Industrial Centre Phase II, 1-33 Cheung Tat Road, Tsing Yi, New Territories	149,100,000	100%	149,100,000
58. South China Cold Storage Building, 13-17 Wah Shing Street, Kwai Chung, New Territories	470,000,000	100%	470,000,000

Property	Market value in existing state as at 28 February 2025 HK\$	Interest attributable to the Group (%)	Market Value in existing state as at 28 February 2025 attributable to the Group HK\$
59. Unsold Portion of iCity, 111 Ta Chuen Ping Street, Kwai Chung, New Territories	995,200,000	100%	995,200,000
60. Various factories, Flat Roof 3 on 17th Floor and Car Parking Space L10 on Ground Floor, Tai Ping Industrial Centre Block 2, 55 Ting Kok Road, Tai Po, New Territories	41,500,000	100%	41,500,000
61. Workshop Unit C on 1st Floor, Wah Fai Industrial Building, 4 Sze Shan Street, Yau Tong, Kowloon	19,000,000	100%	19,000,000
62. Unit B on 15th Floor, Prince Industrial Building, 706 Prince Edward Road East, San Po Kong, Kowloon	24,400,000	100%	24,400,000
63. Factories G & H on 6th Floor, Kwai Shing Industrial Building (Phase II), 42–46 Tai Lin Pai Road, Kwai Chung, New Territories	20,000,000	100%	20,000,000
64. Workshops Unit A and B on 5th Floor, Wah Wai Industrial Building, 1–7 Wo Heung Street, Fo Tan, Shatin, New Territories	20,200,000	100%	20,200,000
65. 20.238% interest attributable to the Group of various car parking spaces at Jones Hive, 8 Jones Street, Causeway Bay, Hong Kong	3,300,000	100%	3,300,000

Property	Market value in existing state as at <b>28 February 2025</b> HK\$	Interest attributable to the Group (%)	Market Value in existing state as at <b>28 February 2025</b> attributable to the Group HK\$
66. Lot Nos. 548 and 549 in Demarcation District No. 112, Yuen Long, New Territories	22,500,000	100%	22,500,000
67. Lot Nos. 921 and 922 in Demarcation District No. 244, Sai Kung, New Territories	480,000	100%	480,000
68. Flat Roof C on Podium Floor, Amber Lodge, 23 Hollywood Road, Central, Hong Kong	No commercial value	—	No commercial value
69. Canopy, Upper External Wall, All External Walls (other than Upper External Wall) & All parts of Building reserved by 1st owner (other than Units & Common Areas), The Jolly House, 16 Lin Fa Kung Street West, Causeway Bay, Hong Kong	No commercial value	—	No commercial value
70. Sub-section 1 of Section D of Marine Lot No. 202A	No commercial value	—	No commercial value
71. Undemolished Staircase and Roof & Additional Storeys (if any), Goldfield Tower, 53–59 Wuhu Street, Hung Hom, Kowloon	No commercial value	—	No commercial value
72. Retained Areas, Warrenwoods, 23 Warren Street, Causeway Bay, Hong Kong	No commercial value	—	No commercial value
<b>Total of Group I:</b>	<b><u>16,257,430,000</u></b>		<b><u>16,257,430,000</u></b>

Property	Market value in existing state as at 28 February 2025 HK\$	Interest attributable to the Group (%)	Market Value in existing state as at 28 February 2025 attributable to the Group HK\$
<b>Group II — Property interests held for occupation</b>			
73. 20th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong	119,000,000	100%	119,000,000
74. 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong	119,000,000	100%	119,000,000
<b>Total of Group II:</b>	<b><u>238,000,000</u></b>		<b><u>238,000,000</u></b>
<b>Grand Total of Groups I and II:</b>	<b><u>16,495,430,000</u></b>		<b><u>16,495,430,000</u></b>

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
<p>1. 3rd Floor, 4th Floor and Roof and Pavilion, 173 Wong Nai Chung Road, Happy Valley, Hong Kong</p> <p>2/5th shares of and in Inland Lot No. 4390 and Section A of Inland Lot No. 4378</p>	<p>The property comprises two residential units with roof and pavilion of a 5-storey composite building completed in 1955.</p> <p>The property has a total saleable area of approximately 1,248 sq.ft. (116 sq.m.), excluding the area of the roof and the pavilion.</p> <p>The property is held from the Government under two Government Leases for respective terms of 75 years from 6 November 1899 renewed for a further term of 75 years. The current Government rent payable for the property is HK\$280 per annum.</p>	<p>The property is partly vacant and partly subject to a tenancy for a term of 2 years from 1 August 2024 to 31 July 2026 at a monthly rent of HK\$13,000.</p>	<p>HK\$13,300,000 (HONG KONG DOLLARS THIRTEEN MILLION AND THREE HUNDRED THOUSAND)</p>

*Notes:*

- (1) The registered owner of the property is Able Honour Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Orders under Section 26 and two Notices under Section 30B(3) and 30C(3) of the Buildings Ordinance issued by the Building Authority mainly related to the common part(s) of the building. However, in the course of our valuation, we have disregarded the Orders and Notices and not taken into account the costs of the remedial/preventive works required by the Orders and Notices (Re: 3rd Floor). The Orders and Notices do not have a material impact on the valuation.
- (3) The property is subject to an Order under Section 26 and two Notices under Section 30B(3) and 30C(3) of the Buildings Ordinance issued by the Building Authority mainly related to the common part(s) of the building. However, in the course of our valuation, we have disregarded the Order and Notices and not taken into account the costs of the remedial/preventive works required by the Order and Notices (Re: 4th Floor and Roof). The Order and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
2. 5th Floor and Roof, 251 Queen's Road East, Wan Chai, Hong Kong	The property comprises a residential unit on the 5th floor together with the roof appurtenant thereto of a 6-storey composite building jointly built on Nos. 251 and 253 Queen's Road East. The subject building was completed in 1966.	The property is vacant.	HK\$4,100,000 (HONG KONG DOLLARS FOUR MILLION AND ONE HUNDRED THOUSAND)

The property has a saleable area of approximately 440 sq.ft.  
(40.90 sq.m.) and the roof area of approximately 192 sq.ft.  
(17.80 sq.m.).

The property is held from the Government under two Government Leases for a term of 999 years from 8 January 1862. The current Government rent payable for the lots is HK\$20 per annum.

*Notes:*

- (1) The registered owner of the property is Earn Joy Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building and an Order under Section 24(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and Order and not taken into account the costs of the remedial/preventive works required by the Notice and Order. The Notice and Order do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
3. Various units of 26, 26A and 28 Russell Street, Causeway Bay, Hong Kong	The property comprises 7 residential units of a 6-storey tenement building completed in 1963.	The property is subject to various tenancies with the latest term due to expire on 31 January 2027 at a total monthly rent of HK\$89,500.	HK\$32,600,000 (HONG KONG DOLLARS THIRTY TWO MILLION AND SIX HUNDRED THOUSAND)
7/18th shares of and in Section K and the Remaining Portion of Marine Lot No. 201	The property has a total saleable area of approximately 2,756 sq.ft. (256.047 sq.m.).		(100% interest attributable to the Group: HK\$32,600,000)
	The property is held from the Government under Government Lease for a term of 999 years from 25 June 1862. The current Government rent payable for the lots is HK\$40 per annum.		

*Notes:*

- (1) The registered owner of the property is Fame On Development Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
 2nd Floor, 26 Russell Street  
 3rd Floor, 26 Russell Street  
 2nd Floor, 26A Russell Street  
 3rd Floor, 26A Russell Street  
 4th Floor, 26A Russell Street  
 5th Floor & Roof, 26A Russell Street  
 4th Floor, 28 Russell Street
- (3) The property is subject to an Order under Section 24(1) related to certain unauthorized structures and two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and the Notices and not taken into account the costs of the remedial/preventive works required by the Order and the Notices. The Order and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
4. 4th Floor and 5th Floor, 164A Tung Lo Wan Road, Causeway Bay, Hong Kong  1¾ of 1/17th shares of and in Inland Lot Nos. 6644 and 6645	<p>The property comprises 2 residential units of a 6-storey composite building completed in 1969.</p> <p>The property has a total saleable area of approximately 521 sq.ft. (48.40 sq.m.).</p> <p>The property is held from the Government under two Government Leases both for a term of 75 years renewable for 75 years from 22 May 1922. The current Government rent payable for the lots is HK\$75,638 per annum.</p>	<p>The property is partly vacant and partly subject to a tenancy for a term of 2 years from 16 November 2024 to 15 November 2026 at a monthly rent of HK\$8,200.</p>	<p>HK\$6,000,000 (HONG KONG DOLLARS SIX MILLION)</p> <p>(100% interest attributable to the Group: HK\$6,000,000)</p>

*Note:* The registered owner of the property is Fine Mega Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
5. Various units of Pak Shing Building, 168–174 Tung Lo Wan Road, Causeway Bay, Hong Kong  9/50th shares of and in the Remaining Portion of Lot Nos. 6646, 6647 and 6648 and the Remaining Portion of Sub-section 1 of Section A and the Remaining Portion of Section B of Inland Lot No. 2382	The property comprises 9 residential units of an 8-storey composite building completed in 1970.  The property has a total saleable area of approximately 2,890 sq.ft. (268.49 sq.m.).  The property is held from the Government under Government Leases all for a term of 75 years renewable for 75 years from 22 May 1922. The current Government rent payable for the lots is HK\$161,740 per annum.	The property is subject to various tenancies with the latest term due to expire on 31 December 2026 at a total monthly rent of HK\$86,700.	HK\$36,500,000 (HONG KONG DOLLARS THIRTY SIX MILLION AND FIVE HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$36,500,000)

## Notes:

- (1) The registered owner of the property is Fine Mega Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
 Flat D, 1st Floor  
 Flat F, 1st Floor  
 Flat F, 2nd Floor  
 Flat C, 4th Floor  
 Flat E, 4th Floor  
 Flat F, 4th Floor  
 Flat C, 5th Floor  
 Flat F, 5th Floor  
 Flat D, 6th Floor

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
6. Various units of 18 and 20 Russell Street, Causeway Bay, Hong Kong  4/8th shares of and in Sub-section 1 of Section B of Inland Lot No. 746 and 5/7th shares of and in the Remaining Portion of Section B of Inland Lot No. 746	The property comprises 9 residential units of a 7-storey tenement building completed in 1960.  The property has a total saleable area of approximately 5,168 sq.ft. (480.12 sq.m.).  The property is held from the Government under Government Lease for a term of 999 years from 25 June 1861. The current Government rent payable for the lots is HK\$36 per annum.	The property is partly vacant and partly subject to various tenancies with the latest term due to expire on 31 October 2026 at a total monthly rent of HK\$133,800.	HK\$73,500,000 (HONG KONG DOLLARS SEVENTY THREE MILLION AND FIVE HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$73,500,000)

## Notes:

- (1) The registered owner of the property is Charm Sky Corporation Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
1st Floor & Roof, 18 Russell Street  
3rd Floor, 18 Russell Street  
4th Floor, 18 Russell Street  
5th Floor, 18 Russell Street  
1st Floor, 20 Russell Street  
3rd Floor, 20 Russell Street  
4th Floor, 20 Russell Street  
5th Floor, 20 Russell Street  
6th Floor, 20 Russell Street
- (3) The property is subject to an Order under Section 24(1) of and two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and not taken into account the costs of the remedial/preventive works required by the Order and Notices (Re: 1/F, 3/F, 4/F and 5/F of 18 Russell Street). The Order and Notices do not have a material impact on the valuation.
- (4) The property is subject to an Order under Section 28(3) and two Notices under Section 30B(3) and Section 30C(3) mainly related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Order and Notices (Re: 1/F, 3/F, 4/F, 5/F and 6/F of 20 Russell Street). The Order and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
7. Various units of 124, 124A and 126 Tung Lo Wan Road, Causeway Bay, Hong Kong	The property comprises 2 shops units on the ground floor and 10 residential units of an 8-storey composite building completed in 1966.	The property is partly vacant and partly subject to various tenancies with the latest term due to expire on 31 August 2026 at a total monthly rent of HK\$116,200.	HK\$71,800,000 (HONG KONG DOLLARS SEVENTY ONE MILLION AND EIGHT HUNDRED THOUSAND)
15/29th shares of and in the Remaining Portion of Inland Lot No. 1576	The property has a total saleable area of approximately 4,092 sq.ft. (380.16 sq.m.).  The property is held from the Government under Government Lease for a term of 75 years renewable for 75 years from 29 December 1902. The current Government rent payable for the lot is HK\$28 per annum.		(100% interest attributable to the Group: HK\$71,800,000)

*Notes:*

- (1) The registered owner of the property is Elite Rich Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
 4th Floor, 124 Tung Lo Wan Road  
 5th Floor, 124 Tung Lo Wan Road  
 7th Floor & Roof, 124 Tung Lo Wan Road  
 1st Floor & Flat Roof, 124A Tung Lo Wan Road  
 3rd Floor, 124A Tung Lo Wan Road  
 5th Floor, 124A Tung Lo Wan Road  
 6th Floor, 124A Tung Lo Wan Road  
 7th Floor & Roof, 124A Tung Lo Wan Road  
 1st Floor, 126 Tung Lo Wan Road  
 3rd Floor, 126 Tung Lo Wan Road  
 Ground Floor & Exterior Wall & Open Yard, 124A Tung Lo Wan Road  
 Ground Floor together with the Open Yard & the Exterior Walls thereof, 126 Tung Lo Wan Road
- (3) The property is subject to two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
8. 3rd Floor, 29 Ming Yuen Western Street, North Point, Hong Kong	The property comprises a residential unit on the 3rd floor of a 4-storey tenement building completed in 1954.	The property is vacant.	HK\$4,500,000 (HONG KONG DOLLARS FOUR MILLION AND FIVE HUNDRED THOUSAND)
1/5th share of and in Sub-section 12 of Section A of Inland Lot No. 897	(67.60 sq.m.).	The property has a saleable area of approximately 728 sq.ft. The property is held from the Government under a Government Lease for a term of 999 years commencing from 8 October 1883. The current Government rent payable to the lot (I.L. 897) is HK\$3.1 per annum.	(100% interest attributable to the Group: HK\$4,500,000)

*Notes:*

- (1) The registered owner of the property is Bloom Smart Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and not taken into account the costs of the remedial/preventive works required by the Notice. The Notice does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
9. Various units of 35, 37, 39 and 41 Ming Yuen Western Street, North Point, Hong Kong  2/4th shares of and in Sub-section 15 of Section A, 1/4th shares of and Sub-section 16 of Section A, 2/4th shares of and in Sub-section 17 of Section A and 2/4th shares of and in Sub-section 18 of Section A of Inland Lot No. 897	<p>The property comprises 7 residential units in two blocks of 4-storey tenement buildings completed in 1954.</p> <p>The property has a total saleable area of approximately 5,540 sq.ft. (514.6 sq.m.).</p> <p>The property is held from the Government under a Government Lease for a term of 999 years commencing from 8 October 1883. The current Government rent payable for the lot (I.L. 897) is HK\$3.1 per annum.</p>	<p>The property is fully let and subject to various tenancies with the latest term due to expire on 31 January 2027 at a total monthly rent of HK\$88,100.</p>	<p>HK\$38,200,000 (HONG KONG DOLLARS THIRTY EIGHT MILLION AND TWO HUNDRED THOUSAND)</p>

*Notes:*

- (1) The registered owner of the property is Hope View Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
 1st Floor, No. 35 Ming Yuen Western Street  
 3rd Floor, No. 35 Ming Yuen Western Street  
 2nd Floor, No. 37 Ming Yuen Western Street  
 1st Floor, No. 39 Ming Yuen Western Street  
 2nd Floor, No. 39 Ming Yuen Western Street  
 Ground Floor, No. 41 Ming Yuen Western Street  
 3rd Floor, No. 41 Ming Yuen Western Street

## VALUATION REPORT

## Group I — Property interests held for investment

<b>Property</b>	<b>Description and tenure</b>	<b>Particulars of occupancy</b>	<b>Market value in existing state as at 28 February 2025</b>
10. Various units in Park Haven, 38 Haven Street, Causeway Bay, Hong Kong  794/10141st shares of Sub-Section 1 and the Remaining Portion of Section D of Inland Lot No. 2147, Sub-sections 1, 2, 3, 4, 5 and the Remaining Portion of Section E of Inland Lot No. 2147 and Sublease of the Remaining Portion of Inland Lot No. 2147	<p>The property comprises one residential unit on the 25th floor, car parking areas and the open space for the car parking areas on the ground floor, two shop units and the open space for the shop areas on the ground floor of a 28-storey commercial/residential building completed in the year of 2014.</p> <p>The residential unit has a saleable area of approximately 850 sq.ft. (78.97 sq.m.).</p> <p>The two shops units have a total saleable area of approximately 5,780 sq.ft. (536.98 sq.m.) and a mezzanine area of approximately 386 sq.ft. (35.86 sq.m.) inside Shop 1.</p> <p>Inland Lot No. 2147 is held from the Government under Government Lease for a term of 999 years from 30 June 1886. The Remaining Portion of Inland Lot No. 2147 is under a sub-lease for a term of 50 years renewable for 50 years from 23 November 2011. The current Government rent payable for the lots (Re: I.L. 2147 s.D ss.1, s.D R.P., s.E ss.1, s.E ss.2, s.E ss.3, s.E ss.4, s.E ss.5, s.E R.P.) is HK\$56 per annum. The current rent payable under the sublease of the Remaining Portion of Inland Lot No. 2147 is HK\$100 per annum.</p>	<p>The residential unit is subject to a tenancy commencing from 17 November 2024 to 30 November 2027 at a monthly rent of HK\$42,500 inclusive of rates and management fee.</p> <p>Shop 2 on ground floor is subject to a tenancy for a term of 2 years commencing from 1 January 2024 at a monthly rent of approximately HK\$158,000.</p> <p>The remaining portion of the property is vacant.</p>	<p>HK\$95,100,000 (HONG KONG DOLLARS NINETY FIVE MILLION AND ONE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$95,100,000)</p>

*Note:* Ownerships of the property:

<b>Property</b>	<b>Registered owner*</b>
Unit G on 25th Floor	Able Peace Corporation Limited
Car Parking Spaces on Ground Floor	Loyal Nice Limited
Shop 1 and Shop 2 on Ground Floor	Loyal Nice Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
11. Ground Floor, 7 Haven Street, Causeway Bay, Hong Kong	The property comprises a land lot with a site area of 475 sq.ft. (44.13 sq.m.). A single storey premises is erected thereon and is used as a shop.	The property is subject to a tenancy for a term of 3 years from 1 February 2024 to 31 January 2027 at a monthly rent of HK\$54,000.	HK\$12,200,000 (HONG KONG DOLLARS TWELVE MILLION AND TWO HUNDRED THOUSAND)
Sub-section 1 of Section G of Inland Lot No. 2147	The property is held from the Government under Government Lease for a term of 999 years from 30 June 1886. The current Government rent payable for the property is HK\$4 per annum.		(100% interest attributable to the Group: HK\$12,200,000)

*Notes:*

- (1) The registered owner of the property is Winner World Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and not taken into account the costs of the remedial/preventive works required. The Notice does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
12. Ground Floor, 13 Haven Street, Causeway Bay, Hong Kong	The property comprises a shop unit on the ground floor of a 13-storey composite building completed in 1959.	The property is subject to a tenancy for a term of 2 years from 1 May 2023 to 30 April 2025 at a monthly rent of HK\$26,000.	HK\$15,200,000 (HONG KONG DOLLARS FIFTEEN MILLION AND TWO HUNDRED THOUSAND)
1/56th share of and in Sub-section 3 of Section G of Inland Lot No. 2147	The property has a saleable area of approximately 444 sq.ft. (41.25 sq.m.).		(100% interest attributable to the Group: HK\$15,200,000)
	The property is held from the Government under Government Lease for a term of 999 years from 30 June 1886. The current Government rent payable for the lot is HK\$10 per annum.		

*Notes:*

- (1) The registered owner of the property is Winner World Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building the Buildings Ordinance issued by the Building Authority (Re: common part(s)). However, in the course of our valuation, we have disregarded the Notice and not taken into account the costs of the remedial/preventive works required. The Notice does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
13. Various units in Haven Court, 128–138 Leighton Road, 2–28 Haven Street, Causeway Bay, Hong Kong	The property comprises 36 shop units on the ground floor and 113 residential units of an 11-storey composite building completed in 1959.	The property is partly vacant and partly subject to various tenancies with the latest term due to expire on 12 February 2027 at a total monthly rent of approximately HK\$1,779,600.	HK\$1,730,000,000 (HONG KONG DOLLARS ONE BILLION SEVEN HUNDRED AND THIRTY MILLION)
336½/379th shares of and in Section C of Inland Lot No. 2147 and Section P of Inland Lot No. 2147	The property has a site area of approximately 13,205 sq.ft. (1,226.77 sq.m.).		(100% interest attributable to the Group: HK\$1,730,000,000)
	The property has a total saleable area of approximately 85,928 sq.ft. (7,982.91 sq.m.).		
	The property is held from the Government under Government Lease for a term of 999 years from 30 June 1886. The current Government rent payable for the lot is HK\$40 per annum.		

Notes:

(1) Ownerships of the property:

Property	Registered Owner*
Shops 1 & 2 on Ground Floor	Lead Properties Limited
Shops 3 to 10 & 12 on Ground Floor and Block A & B on 1st Floor	Lead Properties Limited
Shop 14 & 15 on Ground Floor	Harvest Fortune Limited
Shop 16 on Ground Floor	Lead Properties Limited
Shop 17 on Ground Floor	Harvest Fortune Limited
Shop 18 on Ground Floor	Billion Glory Properties Limited
Shop 19 on Ground Floor	Harvest Fortune Limited
Shop 20 on Ground Floor	Harvest Fortune Limited
Shop 21 on Ground Floor	Harvest Fortune Limited
1/2 shares of Shop 22 on Ground Floor	Billion Glory Properties Limited
1/2 shares of Shop 23 on Ground Floor	Billion Glory Properties Limited
Shop 26 on Ground Floor	Lead Properties Limited
Shop 27 on Ground Floor	Harvest Fortune Limited
Shop 29 on Ground Floor	Harvest Fortune Limited
Shop 30 on Ground Floor	Harvest Fortune Limited
Shop 32 on Ground Floor	Billion Glory Properties Limited
Shop 33 on Ground Floor	Billion Glory Properties Limited
Shop 34 on Ground Floor	Lead Properties Limited

Property	Registered Owner*
Shop 35 on Ground Floor	Billion Glory Properties Limited
Shop 36 on Ground Floor	Harvest Fortune Limited
Shop 37 on Ground Floor	Billion Glory Properties Limited
Shop 38 on Ground Floor	Harvest Fortune Limited
Shop 40 on Ground Floor	Billion Glory Properties Limited
Shop 42 on Ground Floor	Billion Glory Properties Limited
Shop 43 on Ground Floor	Billion Glory Properties Limited
Shop 45 on Ground Floor	Billion Glory Properties Limited
Block C on 1st Floor	Billion Glory Properties Limited
Block D on 1st Floor	Billion Glory Properties Limited
Block E on 1st Floor	Billion Glory Properties Limited
Block F on 1st Floor	Lead Properties Limited
Block G on 1st Floor	Billion Glory Properties Limited
Block H on 1st Floor	Lead Properties Limited
Block I on 1st Floor	Billion Glory Properties Limited
Block J on 1st Floor	Billion Glory Properties Limited
Block K on 1st Floor	Billion Glory Properties Limited
Block L on 1st Floor	Billion Glory Properties Limited
Block M on 1st Floor	Billion Glory Properties Limited
Block A on 2nd Floor	Billion Glory Properties Limited
Block B on 2nd Floor	Billion Glory Properties Limited
Block D on 2nd Floor	Billion Glory Properties Limited
Block E on 2nd Floor	Billion Glory Properties Limited
Block F on 2nd Floor	Billion Glory Properties Limited
Block G on 2nd Floor	Billion Glory Properties Limited
Block H on 2nd Floor	Billion Glory Properties Limited
Block I on 2nd Floor	Billion Glory Properties Limited
Block J on 2nd Floor	Billion Glory Properties Limited
Block K on 2nd Floor	Billion Glory Properties Limited
Block L on 2nd Floor	Billion Glory Properties Limited
Block A on 3rd Floor	Billion Glory Properties Limited
Block B on 3rd Floor	Billion Glory Properties Limited
Block C on 3rd Floor	Billion Glory Properties Limited
Block D on 3rd Floor	Billion Glory Properties Limited
Block E on 3rd Floor	Billion Glory Properties Limited
Block F on 3rd Floor	Billion Glory Properties Limited
Block G on 3rd Floor	Billion Glory Properties Limited
Block H on 3rd Floor	Billion Glory Properties Limited
Block J on 3rd Floor	Billion Glory Properties Limited
Block K on 3rd Floor	Billion Glory Properties Limited
Block L on 3rd Floor	Billion Glory Properties Limited
Block M on 3rd Floor	Billion Glory Properties Limited
Block A on 4th Floor	Billion Glory Properties Limited
Block B on 4th Floor	Billion Glory Properties Limited
Block C on 4th Floor	Billion Glory Properties Limited
Block D on 4th Floor	Billion Glory Properties Limited
Block E on 4th Floor	Billion Glory Properties Limited
Block F on 4th Floor	Billion Glory Properties Limited
Block G on 4th Floor	Lead Properties Limited
Block H on 4th Floor	Billion Glory Properties Limited
Block I on 4th Floor	Billion Glory Properties Limited
Block J on 4th Floor	Billion Glory Properties Limited

Property	Registered Owner*
Block K on 4th Floor	Billion Glory Properties Limited
Block L on 4th Floor	Billion Glory Properties Limited
Block M on 4th Floor	Billion Glory Properties Limited
Block A on 5th Floor	Billion Glory Properties Limited
Block B on 5th Floor	Billion Glory Properties Limited
Block C on 5th Floor	Billion Glory Properties Limited
Block D on 5th Floor	Billion Glory Properties Limited
Block F on 5th Floor	Billion Glory Properties Limited
Block G on 5th Floor	Billion Glory Properties Limited
Block H on 5th Floor	Billion Glory Properties Limited
Block I on 5th Floor	Billion Glory Properties Limited
Block J on 5th Floor	Billion Glory Properties Limited
Block K on 5th Floor	Lead Properties Limited
Block L on 5th Floor	Billion Glory Properties Limited
Block M on 5th Floor	Billion Glory Properties Limited
Block A on 6th Floor	Billion Glory Properties Limited
Block B on 6th Floor	Billion Glory Properties Limited
Block C on 6th Floor	Billion Glory Properties Limited
Block D on 6th Floor	Billion Glory Properties Limited
Block E on 6th Floor	Billion Glory Properties Limited
Block F on 6th Floor	Billion Glory Properties Limited
Block G on 6th Floor	Billion Glory Properties Limited
Block H on 6th Floor	Billion Glory Properties Limited
Block I on 6th Floor	Billion Glory Properties Limited
Block J on 6th Floor	Billion Glory Properties Limited
Block K on 6th Floor	Billion Glory Properties Limited
Block L on 6th Floor	Billion Glory Properties Limited
Block M on 6th Floor	Billion Glory Properties Limited
Block A on 7th Floor	Billion Glory Properties Limited
Block B on 7th Floor	Billion Glory Properties Limited
Block D on 7th Floor	Billion Glory Properties Limited
Block E on 7th Floor	Billion Glory Properties Limited
Block F on 7th Floor	Billion Glory Properties Limited
Block G on 7th Floor	Billion Glory Properties Limited
Block H on 7th Floor	Billion Glory Properties Limited
Block J on 7th Floor	Harvest Fortune Limited
Block K on 7th Floor	Billion Glory Properties Limited
Block L on 7th Floor	Billion Glory Properties Limited
Block M on 7th Floor	Billion Glory Properties Limited
Block A on 8th Floor	Billion Glory Properties Limited
Block B on 8th Floor	Billion Glory Properties Limited
Block E on 8th Floor	Billion Glory Properties Limited
Block F on 8th Floor	Billion Glory Properties Limited
Block G on 8th Floor	Lead Properties Limited
Block I on 8th Floor	Billion Glory Properties Limited
Block J on 8th Floor	Billion Glory Properties Limited
Block L on 8th Floor	Billion Glory Properties Limited
Block M on 8th Floor	Billion Glory Properties Limited
Block A on 9th Floor	Billion Glory Properties Limited
Block B on 9th Floor	Billion Glory Properties Limited
Block C on 9th Floor	Billion Glory Properties Limited
Block E on 9th Floor	Billion Glory Properties Limited

Property	Registered Owner*
Block F on 9th Floor	Lead Properties Limited
Block G on 9th Floor	Billion Glory Properties Limited
Block H on 9th Floor	Billion Glory Properties Limited
Block J on 9th Floor	Billion Glory Properties Limited
Block K on 9th Floor	Billion Glory Properties Limited
Block L on 9th Floor	Billion Glory Properties Limited
Block M on 9th Floor	Billion Glory Properties Limited
Block A on 10th Floor	Billion Glory Properties Limited
Block B on 10th Floor	Billion Glory Properties Limited
Block H on 10th Floor & adjacent roof thereof & roof	Harvest Fortune Limited
Block I on 10th Floor	Billion Glory Properties Limited
Block J on 10th Floor	Billion Glory Properties Limited
Block K on 10th Floor	Billion Glory Properties Limited
Block L on 10th Floor	Harvest Fortune Limited
Block M on 10th Floor	Billion Glory Properties Limited
Section P of Inland Lot No. 2147	WS Holdings Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

- (2) Part of the property is subject to a mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited to secure all moneys in respect of general banking facilities.
- (3) The property is subject to a Notice under Section 30B(3) and an Order under Section 28(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and Order and not taken into account the costs of the remedial/preventive works required by the Notice and Order. The Notice and Order do not have a material impact on the valuation.
- (4) Part of the property is subject to various Orders under Section 24(1) related to certain unauthorized structures and Section 28(3) related to the drains of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and not taken into account the costs of the remedial/preventive works required by the Orders. The Orders do not have a material impact on the valuation.
- (5) The property falls within a zone of “Other Specified Uses (Mixed Use)” under the approved Causeway Bay Outline Zoning Plan No. S/H6/17 dated 8 January 2019.
- (6) Haven Court (Re: Section C of Inland Lot No. 2147) is subject to a sealed copy of Re-Re-Re-Amended Notice of Application to Lands Tribunal for an Order for Sale under Land (Compulsory Sale for Redevelopment) Ordinance of Application No. LDCS 23000 of 2019 as amended on 6 September 2019 vide Memorial No. 23103001130024 dated 22 July 2019.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
14. Shop 27, Ground Floor, Lei-Shun Court, 106–126 Leighton Road, 1–5 Haven Street & 1 Caroline Hill Road, Causeway Bay, Hong Kong	The property comprises a shop unit on the ground floor of a 13-storey composite building completed in 1958.  The property has a saleable area of approximately 435 sq.ft. (40.41 sq.m.).	The property is subject to a tenancy for a term of 3 years from 1 July 2023 to 30 June 2025 at a monthly rent of HK\$48,000.	HK\$23,200,000 (HONG KONG DOLLARS TWENTY THREE MILLION AND TWO HUNDRED THOUSAND)
2/400th shares of and in Section F of Inland Lot No. 2147	The property is held from the Government under Government Lease for a term of 999 years from 30 June 1886. The current Government rent payable for the lot is HK\$32 per annum.		(100% interest attributable to the Group: HK\$23,200,000)

*Notes:*

- (1) The registered owner of the property is Winner World Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to an Order under Section 26A(3) and two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and Notices and not taken into account the costs of the remedial/preventive works required. The Order and Notice do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
15. The Lower Commercial Accommodation and Advertising Signage Areas A, B, C, D and E, The Sharp, 11 Sharp Street East, Causeway Bay, Hong Kong	The property comprises the commercial accommodations on the ground floor, 1st and 2nd floors and 5 advertising signages of a 34-storey commercial building known as The Sharp at 11 Sharp Street East in Causeway Bay. The development is completed in 2016.	The lower commercial accommodation is subject to a tenancy for a term of 3 years from 17 May 2024 to 16 May 2027 at a monthly rent of HK\$235,000 exclusive of rates and management fees while the advertising signages are vacant.	HK\$100,800,000 (HONG KONG DOLLARS ONE HUNDRED MILLION AND EIGHT HUNDRED THOUSAND)
36920/359986th shares of and in Section A of Sub-section 4 of Section B and the Remaining Portion of Sub-section 4 of Section B of Inland Lot No. 730	The total saleable area of the property is approximately 3,160 sq.ft. (293.57 sq.m.).	The property is held from the Government under Government Lease for a term of 999 years commencing from 1 September 1881. The total Government rent payable for the lots is HK\$26 per annum.	(100% interest attributable to the Group: HK\$100,800,000)

*Note:* The registered owner of the property is Gold Loyal Properties Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
16. Shop A on Ground Floor, 1–1A Yiu Wa Street, Causeway Bay, Hong Kong  Part of Sub-section 1 of Section B of Inland Lot No. 730	<p>The property comprises the ground floor shop of a 3-storey commercial development situated at 1–1A Yiu Wa Street in Causeway Bay. The subject building is completed in 2016.</p> <p>The total saleable area of the property is approximately 1,184 sq.ft. (110.00 sq.m.).</p>	<p>The property is subject to a tenancy for a term of 3 years from 1 May 2022 to 30 April 2025 at a monthly rent of HK\$138,000 exclusive of rates and management fees.</p>	<p>HK\$51,000,000 (HONG KONG DOLLARS FIFTY ONE MILLION)</p> <p>(100% interest attributable to the Group: HK\$51,000,000)</p>

*Note:* The registered owner of the property is Sky Luck (China) Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
17. Various units of 3A Kennedy Street, Wan Chai, Hong Kong  4/6th shares of and in Section A of Inland Lot No. 786	<p>The property comprises a shop unit on the ground floor and three residential units together with the roof thereof of a 6-storey composite building completed in 1964.</p> <p>The property has a total saleable area of approximately 1,768 sq.ft. (164.25 sq.m.) and roof area of approximately 409 sq.ft. (38.04 sq.m.) and a yard area of 148 sq.ft. (13.75 sq.m.).</p>	<p>The property is fully let and subject to various tenancies with the latest term due to expire on 31 December 2026 at a total monthly rent of HK\$48,000.</p>	<p>HK\$26,900,000 (HONG KONG DOLLARS TWENTY SIX MILLION AND NINE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$26,900,000)</p>

*Notes:*

- (1) The registered owner of the property is Good Crown Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
Ground Floor, 3A Kennedy Street  
2nd Floor, 3A Kennedy Street  
4th Floor, 3A Kennedy Street  
5th Floor and Roof, 3A Kennedy Street
- (3) The property is subject to an Order under Section 24(1) and a Notice under Section 24C(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and Notice and not taken into account the costs of the remedial/preventive works required by the Order and Notice (Re: Ground Floor). The Order and Notice do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
18. Various units of 5 and 7 Kennedy Street, Wan Chai, Hong Kong	The property comprises three residential units of a 6-storey composite building completed in 1964.	The property is fully let and subject to three tenancies with the latest term due to expire on 17 August 2025 at a total monthly rent of HK\$35,100.	HK\$12,500,000 (HONG KONG DOLLARS TWELVE MILLION AND FIVE HUNDRED THOUSAND)
2/6th shares of and in Section A of Inland Lot No. 793 and 1/6th share of and in the Remaining Portion of Inland Lot No. 793	The property has a total saleable area of approximately 1,438 sq.ft. (133.59 sq.m.).  The property is held from the Government under same Government Lease for a term of 999 years from 8 January 1862. The current Government rent payable for the lots is HK\$5.56 per annum.		(100% interest attributable to the Group: HK\$12,500,000)

*Notes:*

- (1) The registered owner of the property is Good Crown Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
2nd Floor, 5 Kennedy Street  
3rd Floor, 5 Kennedy Street  
4th Floor, 7 Kennedy Street

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
19. Basement, 9 Kennedy Street, Wan Chai, Hong Kong	The property comprises the basement of a 6-storey composite building plus a basement completed in 1976.	The property is subject to a tenancy for a term of 2 years from 1 August 2024 to 31 July 2026 at a monthly rent of HK\$10,500.	HK\$5,100,000 (HONG KONG DOLLARS FIVE MILLION AND ONE HUNDRED THOUSAND)
1/10th shares of and in the Remaining Portion of Section B of Inland Lot No. 793	The property has a saleable area of approximately 844 sq.ft. (78.41 sq.m.).		(100% interest attributable to the Group: HK\$5,100,000)
	The property is held from the Government under same Government Lease for a term of 999 years from 8 January 1862.		

*Notes:*

- (1) The registered owner of the property is Good Crown Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and not taken into account the costs of the remedial/preventive works required by the Notice. The Notice does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
20. Flat A on 4th Floor, Flats B and C on 5th Floor and Roofs, 1–2 Canal Road East, Causeway Bay, Hong Kong	The property comprises 3 residential units of a 6-storey composite building and roofs completed in 1971.	One of the property is internally partitioned, and is subject to various tenancies with the latest term due to expire on 30 November 2026 at a total monthly rent of HK\$29,600.	HK\$13,400,000 (HONG KONG DOLLARS THIRTEEN MILLION AND FOUR HUNDRED THOUSAND)
3/22nd shares of and in Sub-section 1 and the Remaining Portion of Section L of Marine Lot No. 269 and Section M of Inland Lot No. 746	The property has a total saleable area of approximately 1,133 sq.ft. (105.26 sq.m.).  The property is held from the Government under two Government Leases both for a term of 999 years from 25 June 1861. The current Government rent payable for the lots is HK\$42 per annum.		(100% interest attributable to the Group: HK\$13,400,000)

*Notes:*

- (1) The registered owner of the property is Grand Billion Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices Section 30B(3) and Section 30C(3) related to the common part(s) of the building of under the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
21. 3rd Floor, 123A Wan Chai Road, Wan Chai, Hong Kong  1/18th share of and in the Remaining Portion of Inland Lot No. 437	The property comprises a residential unit on the 3rd floor of a 6-storey composite building jointly built on Nos. 121, 123 and 123A Wan Chai Road. The subject building was completed in 1967.  The property has a saleable area of approximately 349 sq.ft. (32.40 sq.m.).  The property is held from the Government under Government Lease for a term of 999 years from 29 May 1855.	The property is vacant.	HK\$3,400,000 (HONG KONG DOLLARS THREE MILLION AND FOUR HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$3,400,000)

*Notes:*

- (1) The registered owner of the property is Bloom Smart Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) and Section 30C(3), a Superseding Order under Section 28(3) mainly related to the common part(s) of the building and an Order under Section 24(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and Orders and not taken into account the costs of the remedial/preventive works required by the Notices and Orders. The Notices and Orders do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
22. Various units of 37–39 Tang Lung Street, Causeway Bay, Hong Kong	The property comprises 3 residential units of a 6-storey tenement building completed in 1972.	The property is subject to various tenancies with the latest term due to expire on 30 September 2026 at a total monthly rent of HK\$28,300.	HK\$13,100,000 (HONG KONG DOLLARS THIRTEEN MILLION AND ONE HUNDRED THOUSAND)
$\frac{2}{7}$ of 1/14th shares of and in the Remaining Portion of Marine Lot No. 202A	The property has a total saleable area of approximately 1,153 sq.ft. (107.12 sq.m.).		(100% interest attributable to the Group: HK\$13,100,000)
	The property is held from the Government under Government Lease for a term of 997 years from 25 June 1864. The current Government rent payable for the lot is HK\$32 per annum.		

## Notes:

- (1) The registered owner of the property is King Win Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
1st Floor and Flat Roof, 37 Tang Lung Street  
5th Floor, 37 Tang Lung Street  
3rd Floor, 39 Tang Lung Street
- (3) Part of the property is subject to an Order under Section 24(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and not taken into account the costs of the remedial/preventive works required by the Order (Re: 3/F, 39 Tang Lung Street). The Order does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
23. 32 Tang Lung Street, Causeway Bay, Hong Kong	The property comprises all units from ground to 5th floor of a 6-storey tenement building completed in 1978.	The property is subject to various tenancies with the latest term due to expire on 30 November 2027 at a total monthly rent of HK\$104,300.	HK\$69,000,000 (HONG KONG DOLLARS SIXTY NINE MILLION)
The Remaining Portion of Section C of Marine Lot No. 201	The property has a total saleable area of approximately 2,708 sq.ft. (251.58 sq.m.), a cockloft with area of approximately 354 sq.ft. (32.89 sq.m.), a flat roof with area of approximately 209 sq.ft. (19.42 sq.m.) and a roof with area of approximately 243 sq.ft. (22.58 sq.m.).		(100% interest attributable to the Group: HK\$69,000,000)
	The property is held from the Government under Government Lease for a term of 999 years from 25 June 1862. The current Government rent payable for the lot is HK\$20 per annum.		

*Note:* The registered owner of the property is Onwell Properties Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
24. 34 Tang Lung Street, Causeway Bay, Hong Kong  The Remaining Portion of Sub-section 1 of Section A of Marine Lot No. 201	The property comprises all units from ground floor to 5th floor of a 6-storey tenement building with cockloft and roof completed in 1982.  The property has a total saleable area of approximately 2,560 sq.ft. (237.83 sq.m.), with cockloft of approximately 470 sq.ft. (43.66 sq.m.) and with roof of approximately 304 sq.ft. (28.24 sq.m.).	The property is subject to various tenancies with the latest term due to expire on 31 January 2027 at a total monthly rent of HK\$115,000.	HK\$64,000,000 (HONG KONG DOLLARS SIXTY FOUR MILLION)

The property is held from the Government under Government Lease for a term of 999 years from 25 June 1862. The current Government rent payable for the property is HK\$20 per annum.

*Notes:*

- (1) The registered owner of the property is Onwell Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to three Notices under Section 24C(1) related to certain unauthorized structures, Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025						
25. Majority Portions of Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong  1960/2060th shares of and in the Remaining Portion of Section J, the Remaining Portion of Section D, the Remaining Portion of Section B of Sub-section 1 of Section A and the Remaining Portion of Section A of Marine Lot No. 201, the Remaining Portion of Section E, the Remaining Portion of Sub-section 1 of Section F, the Remaining Portion of Sub-section 2 of Section F and the Remaining Portion of Section F of Marine Lot No. 202A, the Remaining Portion and the Remaining Portion of Section A of Inland Lot No. 3595 and the Remaining Portion of Inland Lot No. 3594	<p>The property comprises the majority portions of Soundwill Plaza excluding the 20/F, 21/F. Soundwill Plaza is a 37-storey commercial building with the Ground Floor and 1st Floor accommodating shop units while its upper floors accommodate office units. The subject building was completed in 1996 and extension works were carried out and completed in 2002.</p> <p>According to the information given by the Company, the total gross floor area of the property is approximately 232,581 sq.ft. (21,607.30 sq.m.), the area of the flat roof on 3rd floor is approximately 2,507 sq.ft. (232.91 sq.m.).</p> <p>The property is held from the Government under various Government Leases for the respective terms as follows:</p> <table> <thead> <tr> <th data-bbox="515 1342 589 1368">Lot No.</th> <th data-bbox="728 1342 855 1368">Lease Tenure</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1406 696 1590">M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., s.A R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.</td> <td data-bbox="728 1406 871 1590">999 years from 25 June 1862</td> </tr> <tr> <td data-bbox="515 1628 871 1747">M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.</td> <td data-bbox="728 1628 871 1747">997 years from 25 June 1864</td> </tr> </tbody> </table>	Lot No.	Lease Tenure	M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., s.A R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.	999 years from 25 June 1862	M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.	997 years from 25 June 1864	<p>Except portions of the property comprising a total gross floor area of approximately 6,856 sq.ft. which are vacant, the remaining portions of the property are subject to various tenancies for the latest tenancy to be expired on 21 August 2029 at a total monthly rent of approximately HK\$11,690,000.</p>	<p>HK\$6,592,000,000 (HONG KONG DOLLARS SIX BILLION FIVE HUNDRED AND NINETY TWO MILLION)</p> <p>(100% interest attributable to the Group: HK\$6,592,000,000)</p>
Lot No.	Lease Tenure								
M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., s.A R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.	999 years from 25 June 1862								
M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.	997 years from 25 June 1864								

*Notes:*

- (1) The registered owners of the property are Golden Relay Company Limited and Smart On (Hong Kong) Limited (Flat Roof on 3rd Floor and External Wall), which are wholly owned subsidiaries of the Company.
- (2) Portions of the property are subject to various mortgages, assignments of rentals, supplements to security documents in favour of The Hongkong and Shanghai Banking Corporation Limited (for G/F, 1/F, 3/F, 5/F, 17–23/F, 25–26/F, 32/F and 35–39/F) and Hang Sang Bank Limited (for 8–12/F, 15–16/F and 27–31/F) respectively.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
26. Soundwill Plaza II — Midtown, 1 Tang Lung Street, Causeway Bay, Hong Kong  The Remaining Portion of Sub-section 1 of Section M, the Remaining Portion of Section M, the Remaining Portion of Section N and the Remaining Portion of Marine Lot No. 269, Sub-section 1 of Section N, Sub-section 1 of Section O, the Remaining Portion of Section N, the Remaining Portion of Section O and the Remaining Portion of Inland Lot No. 746 and the Remaining Portion of Sub-section 1 and the Remaining Portion of Sub-section 2 of Section I of Marine Lot No. 201	<p>The property comprises a 27-storey commercial building completed in 2013.</p> <p>According to the approved building plans dated 25 November 2013, the total gross floor area of the property is approximately 148,133 sq.ft. (13,761.85 sq.m.).</p> <p>The property is held from the Government under various Government Leases for terms of 999 years commencing from 25 June 1861.</p>	<p>Except portions of the property comprising a total gross floor area of approximately 26,523 sq.ft. which are vacant, the remaining portions of the property are subject to various tenancies for the latest tenancy to be expired on 31 July 2028 at a total monthly rent of approximately HK\$5,940,000.</p>	<p>HK\$2,671,000,000 (HONG KONG DOLLARS TWO BILLION SIX HUNDRED AND SEVENTY ONE MILLION)</p> <p>(100% interest attributable to the Group: HK\$2,671,000,000)</p>

## Notes:

- (1) The registered owners of the property are Tang Lung Investment Properties Limited (Re: 120358/120361st shares) and Smart On (Hong Kong) Limited (Re: 3/120361st shares), which are wholly owned subsidiaries of the Company.
- (2) Portion of the property is subject to a Legal Charge in favour of the Hong Kong and Shanghai Banking Corporation Limited (Re: G/F, 2/F, 3/F, 5/F, 7/F, 8/F, 9/F & 16/F).

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
27. 29 Tang Lung Street, Causeway Bay, Hong Kong	The property comprises a 2-storey commercial building completed in 2013.	The property is subject to a tenancy with a term of 3 years from 1 June 2024 to 31 May 2027 at a current monthly rent of HK\$125,000.	HK\$67,000,000 (HONG KONG DOLLARS SIXTY SEVEN MILLION)

The whole of the Remaining Portion of Section I, Section H and Sub-section 1 of Section D of Marine Lot No. 201

The property has a total gross floor area of approximately 2,119 sq.ft. (196.86 sq.m.).

The property is held under a Government Lease for a term of 999 years commencing from 25 June 1862. The total Government rent payable for the lots is HK\$58 per annum.

(100% interest attributable to the Group: HK\$67,000,000)

*Note:* The registered owner of the property is Tang Lung Investment Properties Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
28. 1st Floor and 3rd Floor, 38 Marble Road, North Point, Hong Kong  2/4th shares of and in Sub-section 2 of Section A of Inland Lot No. 4636	<p>The property comprises two residential units of a 4-storey composite building completed in pre-1945.</p> <p>The property has a total saleable area of approximately 1,823 sq.ft. (169.36 sq.m.). The area of the flat roof is approximately 249 sq.ft. (23.13 sq.m.).</p>	<p>One of the property is internally partitioned and the property is partly vacant and partly let on 7 tenancies with the latest term due to expire on 30 April 2026 at a total monthly rent of HK\$23,100.</p>	<p>HK\$17,500,000 (HONG KONG DOLLARS SEVENTEEN MILLION AND FIVE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$17,500,000)</p>

## Notes:

- (1) The registered owner of the property is Up Bright Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to four Orders under Section 24(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and not taken into the account the costs of the remedial/preventive works required by the Orders (Re: 1st Floor). The Orders do not have a material impact on the valuation.
- (3) The property is subject to two Orders under Section 24(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and not taken into the account the costs of the remedial/preventive works required by the Orders (Re: 3rd Floor). The Orders do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
29. Flat C, 1st Floor, Ching Wah Mansion, 1 Ching Wah Street, North Point, Hong Kong	The property comprises a residential unit on the 1st floor of a 9-storey (including lower ground floor) composite building completed in 1966.	The property is vacant.	HK\$4,800,000 (HONG KONG DOLLARS FOUR MILLION AND EIGHT HUNDRED THOUSAND)
1/36th share of and in Sub-section 29 of Section X of Inland Lot No. 2366 and the Extension thereto	The property has a saleable area of approximately 600 sq.ft. (55.7 sq.m.).		(100% interest attributable to the Group: HK\$4,800,000)
	The property is held from the Government under Conditions of Sale No. 1143 for a term of 75 years from 13 February 1922 renewed for a further term of 75 years. The current Government rent payable for the property is HK\$2,664 per annum.		

*Notes:*

- (1) The registered owner of the property is Bloom Smart Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Superseding Order under Section 24(1) and a Notice under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and Notice and not taken into account the costs of the remedial/preventive works required by the Order and Notice. The Order and Notice do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
30. 4th Floor, 16A Possession Street, 3rd and 4th Floors, 18 Possession Street, Sheung Wan, Hong Kong  3/28th shares of and in the Remaining Portion of Inland Lot No. 212B, the Remaining Portion of Section B, the Remaining Portion of Section A and the Remaining Portion of Inland Lot No. 212C	<p>The property comprises 3 residential units of a 6-storey (excluding cockloft) composite building completed in 1967.</p> <p>The property has a total saleable area of approximately 1,203 sq.ft. (111.9 sq.m.).</p> <p>The property is held from the Government under two Government Leases for respective terms of 999 years commencing from 16 March 1855 and 27 September 1854. The current Government rent payable for the property is HK\$24 per annum.</p>	<p>The property is subject to three tenancies with the latest term due to expire on 30 June 2026 at a total monthly rent of HK\$29,500.</p>	<p>HK\$11,900,000 (HONG KONG DOLLARS ELEVEN MILLION AND NINE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$11,900,000)</p>

*Note:* The registered owner of the property is Well Trend Properties Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
31. 1st Floor and 4th Floor, 22 Possession Street, Sheung Wan, Hong Kong	The property comprises an office unit on the 1st floor and a residential unit on the 4th floor of a 6-storey composite building completed in 1971.	The property is subject to two tenancies with the latest term due to expire on 30 November 2025 at a total monthly rent of HK\$19,000.	HK\$8,600,000 (HONG KONG DOLLARS EIGHT MILLION AND SIX HUNDRED THOUSAND)
8/30th shares of and in the Remaining Portion of Sub-section 2 of Section A of Inland Lot No. 212B	The property has a total saleable area of approximately 1,087 sq.ft. (101.03 sq.m.).		(100% interest attributable to the Group: HK\$8,600,000)
	The property is held from the Government under a Government Lease for a term of 999 years commencing from 16 March 1855. The current Government rent payable for the lot is HK\$4 per annum.		

*Notes:*

- (1) The registered owner of the property is Well Trend Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Orders under Section 28(3) and Section 26 and two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and Notices and not taken into account the costs of the remedial/preventive works required by the Orders and Notices. The Orders and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
32. 1st Floor and Flat Roof, 24 Possession Street, Sheung Wan, Hong Kong  2/9th shares of and in the Remaining Portion of Section A of Sub-section 1 of Section A of Inland Lot No. 212B	The property comprises an office unit on the 1st floor with flat roof of a 6-storey composite building completed in 1970.  The property has a saleable area of approximately 675 sq.ft. (62.71 sq.m.). The area of the flat roof is approximately 35 sq.ft. (3.25 sq.m.).  The property is held from the Government under a Government Lease for a term of 999 years commencing from 16 March 1855. The current Government rent payable for the lot (I.L. 212B s.A ss.1 s.A) is HK\$6 per annum.	The property is subject to a tenancy for a term of 2 years from 22 August 2024 to 21 August 2026 at a monthly rent of HK\$12,000.	HK\$4,800,000 (HONG KONG DOLLARS FOUR MILLION AND EIGHT HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$4,800,000)

## Notes:

- (1) The registered owner of the property is Well Trend Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
33. 4th Floor, 26 Yiu Wa Street, Causeway Bay, Hong Kong	The property comprises a residential unit on the 4th floor of a 6-storey tenement building completed in 1959.	The property is subject to a tenancy for a term of 2 years from 10 June 2024 to 9 June 2026 at a monthly rent of HK\$9,500.	HK\$5,700,000 (HONG KONG DOLLARS FIVE MILLION AND SEVEN HUNDRED THOUSAND)
1/6th share of and in Inland Lot No. 5436	The property has a saleable area of approximately 504 sq.ft. (46.82 sq.m.).  The property is held from the Government under Government Lease for a term of 999 years from 20 June 1881. The current Government rent payable for the lot is HK\$12 per annum.		(100% interest attributable to the Group: HK\$5,700,000)

*Notes:*

- (1) The registered owner of the property is Field State Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Superseding Order under Section 24C(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Superseding Order and not taken into account the costs of the remedial/preventive works required by the Superseding Order. The Superseding Order does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
34. 2nd Floor, 28 Yiu Wa Street, Causeway Bay, Hong Kong	The property comprises a residential unit on the 2nd floor of a 6-storey tenement building completed in 1958.	The property is subject to a tenancy for a term from 1 February 2025 to 31 January 2027 at a monthly rent of HK\$11,000.	HK\$5,900,000 (HONG KONG DOLLARS FIVE MILLION AND NINE HUNDRED THOUSAND)
1/6th share of and in Inland Lot No. 5437	The property has a saleable area of approximately 508 sq.ft. (47.19 sq.m.).	The property is held from the Government under Government Lease for a term of 999 years from 20 June 1881. The current Government rent payable for the lot is HK\$12 per annum.	(100% interest attributable to the Group: HK\$5,900,000)

*Notes:*

- (1) The registered owner of the property is Field State Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
35. 4th Floor, 55 Percival Street, Causeway Bay, Hong Kong	The property comprises a residential unit on the 4th floor of a 5-storey composite building completed in 1954.	The property is internally partitioned and is vacant.	HK\$5,900,000 (HONG KONG DOLLARS FIVE MILLION AND NINE HUNDRED THOUSAND)
1/5th share of and in Section D of Inland Lot No. 3583	The property has a saleable area of approximately 501 sq.ft. (46.54 sq.m.).		(100% interest attributable to the Group: HK\$5,900,000)

*Notes:*

- (1) The registered owner of the property is Bloom Smart Properties Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to three Orders under Section 28(3) related to the drains of the building and Section 26 and two Superseding Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Superseding Notices and Orders and not taken into account the costs of the remedial/preventive works required by the Superseding Notices and Orders. The Superseding Notices and Orders do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
36. 1/3 Share of 3rd Floor and Roof, 30 Marble Road, North Point, Hong Kong	The property comprises 1/3 share of a residential unit on the 3rd floor and roof of a 4-storey composite building completed in 1950.	The property is vacant.	HK\$2,500,000 (HONG KONG DOLLARS TWO MILLION AND FIVE HUNDRED THOUSAND)
1/3 share of and in 1/5th share of and in Section C of Sub-section 1 of Section A of Sub-section 1 of Section A of Inland Lot No. 3504	The residential unit has a saleable area of approximately 750 sq.ft. (69.7 sq.m.). The area of the roof is approximately 594 sq.ft. (55.2 sq.m.).		(see Note (2))  (100% interest attributable to the Group: HK\$2,500,000)
	The property is held from the Government under Conditions of Sale No. UB3369 for a term of 75 years from 17 October 1932 renewed for a further term of 75 years. The current Government rent payable for the property (100%) is HK\$1,836 per annum.		

## Notes:

- (1) The registered owner of the property is Up Bright Properties Limited (1/3 share tenant in common), which is a wholly owned subsidiary of the Company. There are two other owners who are tenants in common each holding 1/3 share of the residential unit and roof and are independent of the Company.
- (2) The market value of the property represents 1/3 of the market value of the whole 100% interest of the residential unit and roof. In arriving at our valuation, we have assumed that the market value of the property is based on an even apportionment of the market value of the residential unit and roof with respect to the share ownership of the property in the residential unit and roof.
- (3) The property is subject to 2 Superseding Notices under Section 30B(3) and Section 30C(3), 1 Superseding Order under Section 24(1) and 2 Orders under Section 28(3) and Section 24(1) mainly related to the common part(s) of the building or certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and Orders and not taken into account the costs of the remedial/preventive works required by the Notices and Orders. The Notices and Orders do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
37. 7 Car Parking Spaces, Golden Lodge, 9 Bonham Road, Mid-Levels, Hong Kong	The property comprises 7 car parking spaces on the 1st, 2nd and 3rd floors of a 6-storey podium complex and upon which a 24-storey residential block is erected. The development was completed in 1996.	The property is fully licensed with the latest term due to expire on 31 October 2026 at a total monthly income of HK\$21,450, inclusive of rates and management fees.	HK\$8,400,000 (HONG KONG DOLLARS EIGHT MILLION AND FOUR HUNDRED THOUSAND)
37/1999th shares of and in Inland Lot No. 7542 and the Remaining Portion of Inland Lot No. 1217	The property is held from the Government for the following terms:		(100% interest attributable to the Group: HK\$8,400,000)
Lot No.	Lease Term		
I.L. 1217 RP	999 years from 27 May 1889		
I.L. 7542	75 years from 9 December 1957 renewable for a further term of 75 year		
The current Government rents payable for the lots per annum are as follow:			
Lot No.	Government Rent		
I.L. 1217 RP	HK\$8		
I.L. 7542	HK\$154		

*Notes:*

- (1) The registered owner of the property is Hill Star Properties Limited. According to the information provided by the Company, Hill Star Properties Limited has been renamed to Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.

(2) The property comprises the following spaces in Golden Lodge, 9 Bonham Road:

<b>No.</b>	<b>Floor Level</b>
12	1st Floor
13	1st Floor
21	2nd Floor
22	2nd Floor
31	3rd Floor
32	3rd Floor
33	3rd Floor

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
38. Car Parking Space No. R27 and Motorcycle Parking Space No. M1, M2 and M3, Warrenwoods, 23 Warren Street, Causeway Bay, Hong Kong  4/1022nd shares of and in Section B, Section C, Section D, Section E, Sub-section 1 of Section F, the Remaining Portion of Section F, Section G and Section H of Inland Lot No. 2040	<p>The property comprises a car parking space and 3 motorcycle parking spaces of a 36-storey residential building with a 30-level residential block erected on a 6-storey car parking and club house podium completed in 2012.</p> <p>The property is held from the Government under Government Lease for a term of 75 years renewable for 75 years from 15 September 1913. The current Government rent payable for the property is HK\$1,554 per annum.</p>	The property is vacant.	<p>HK\$1,700,000 (HONG KONG DOLLARS ONE MILLION AND SEVEN HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$1,700,000)</p>

*Note:* The registered owner of the property is Public Honour Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
39. 1st Floor, 2nd Floor, 5th Floor and Roof, 25 Canal Road East, Causeway Bay, Hong Kong  3/12th shares of and in the Remaining Portion of Inland Lot No. 5466	<p>The property comprises 3 residential units of a 6-storey tenement building completed in 1966.</p> <p>The property has a total saleable area of approximately 1,319 sq.ft. (122.54 sq.m.).</p> <p>The property is held from the Government under Government Lease for a term of 999 years from 20 June 1881. The current Government rent payable for the subject lot is HK\$4 per annum.</p>	<p>The property is internally partitioned and is subject to various tenancies with the latest term due to expire on 15 November 2026 at a total monthly rent of HK\$38,900.</p>	<p>HK\$15,500,000 (HONG KONG DOLLARS FIFTEEN MILLION AND FIVE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$15,500,000)</p>

*Notes:*

- (1) The registered owner of the property is Charm Strong Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.
- (3) The property is subject to an Order under Section 28(3) related to the drains of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and not taken into account the costs of the remedial/preventive works required by the Order (Re: 5/F & Roof, 25 Canal Road East). The Order does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
40. 2nd Floor, 49 Sharp Street East, Causeway Bay, Hong Kong	The property comprises a residential unit on the 2nd floor of a 6-storey tenement building completed in 1962.	The property is subject to a tenancy for a term of 2 years and 2 months from 1 September 2024 to 31 October 2026 at a monthly rent of HK\$10,000.	HK\$5,100,000 (HONG KONG DOLLARS FIVE MILLION AND ONE HUNDRED THOUSAND)
1/6th shares of and in the Remaining Portion of Inland Lot No. 5464	The property has a saleable area of approximately 435 sq.ft. (40.41 sq.m.).		(100% interest attributable to the Group: HK\$5,100,000)
	The property is held from the Government under Government Lease for a term of 999 years from 20 June 1881. The current Government rent payable for Inland Lot No. 5464 is HK\$10 per annum.		

*Notes:*

- (1) The registered owner of the property is Upwise Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to three Orders under Section 24(1) and Section 26 and a Notice under Section 30B(3) mainly related to the common part(s) of the building or certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and Notice and not taken into account the costs of remedial/preventive works required by the Orders and Notice. The Orders and Notice do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
41. Kai Kwong Commercial Building, 332–334 Lockhart Road, Wan Chai, Hong Kong	The property comprises the whole 22-storey commercial building including a mezzanine with the ground floor and mezzanine devoted to retail use while the upper floors for office use. The property was completed in 1983.	Except portions of the property comprising a total gross floor area of approximately 10,490 sq.ft. which are vacant, the remaining portions of the property are subject to various tenancies for the latest tenancy to be expired on 14 September 2027 at a total monthly rent of approximately HK\$605,000.	HK\$334,000,000 (HONG KONG DOLLARS THREE HUNDRED AND THIRTY FOUR MILLION)
The Remaining Portion and the Remaining Portion of Section G of Inland Lot No. 2621	The property has a total gross floor area of approximately 30,988 sq.ft. (2,878.89 sq.m.).		(100% interest attributable to the Group: HK\$334,000,000)
	The property is held from the Government under Government Lease for a term of 99 years from 1 July 1927 with a right of renewal for a further term of 99 years. The current Government rents payable for I.L. 2621 R.P. is HK\$24 and I.L. 2621 s.G is HK\$12.5 per annum.		

*Note:* The registered owner of the property is Power Huge Development Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
42. 42 and 44 Yiu Wa Street, Causeway Bay, Hong Kong	The property has a total site area of approximately 2,952 sq.ft. (274.25 sq.m.).	The property is under construction with foundation works in progress.	HK\$450,000,000 (HONG KONG DOLLARS FOUR HUNDRED AND FIFTY MILLION)
Inland Lot No. 5444 and 5445	The property is held from the Government under two Government Leases both for a term of 999 years from 20 June 1881. The current total Government rent payable for the lots are HK\$100 per annum.		(100% interest attributable to the Group: HK\$450,000,000)

Notes:

- (1) The registered owners of the property are as follows:

Property (Based on units of former building before demolition)	Registered Owner*
42 Yiu Wa Street Flats A, B and C on 1/F, 2/F, 3/F, 4/F and Flats A and B on 5/F, Tak Cheong Building, 44 Yiu Wa Street	Wise Ease Limited World Firm Limited
Shop A on G/F, Tak Cheong Building, 44 Yiu Wa Street	Central Mind Investment Limited
Shop B on G/F and Flat C on 5/F, Tak Cheong Building, 44 Yiu Wa Street	Star Key Development Limited
Shop C on G/F, Tak Cheong Building, 44 Yiu Wa Street	Central Sky Investment Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

- (2) Part of the property is subject to a Mortgage in favour of Gold Best Management Limited for all monies (Re: Shops A, B and C on G/F, Tak Cheong Building, 44 Yiu Wa Street).
- (3) The property falls within the “Commercial” zone on Wan Chai Outline Zoning Plan No. S/H5/31 dated 2 May 2023.
- (4) The use and development of the property are principally governed by the Government leases of Inland Lot Nos. 5444 and 5445. The whole of the documents should be noted, but the following conditions are particular relevance:

“... shall not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier Slaughterman Soap-maker Sugar-baker Fellmonger Melter of tallow Oilman Butcher Distiller Victualler or Tavern-keeper Blacksmith Nightman Scavenger or any other noisy noisome or offensive trade or business ...”

- (5) According to the information provided by the instructing party, the property is proposed to be redeveloped into a 26-storey commercial building. Upon completion, the total gross floor area of the property will be approximately 44,257 sq.ft. (4,111.54 sq.m.). The estimated completion date is December 2026.
- (6) As advised by the instructing party, the construction cost expended up to 28 February 2025 is about HK\$67,000,000. The total estimated construction cost is about HK\$306,000,000. We have taken into account such amounts in our valuation.
- (7) The estimated Gross Development Value of the proposed development assuming that it were fully completed without any outstanding construction costs as at 28 February 2025, is in the sum of HK\$839,000,000.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
43. Shop A on Ground Floor, Tang Fai Building, 36–48 Tang Lung Street, Causeway Bay, Hong Kong	The property comprises a shop unit on the ground floor of a 17-storey composite building completed in 1972.	The property is subject to a tenancy for a term of 3 years from 1 November 2022 to 31 October 2025 at a monthly rent of HK\$100,000.	HK\$53,000,000 (HONG KONG DOLLARS FIFTY THREE MILLION)
2/70th shares of and in the Remaining Portion of Section D of Sub-section 1 of Section A of Marine Lot No. 201, the Remaining Portion of Section A, the Remaining Portion of Sub-section 1 of Section B, the Remaining Portion of Sub-section 2 of Section B and the Remaining Portion of Section B of Marine Lot No. 202A, Inland Lot Nos. 3604, 3605 and 3606	The property has a saleable area of approximately 624 sq.ft. (57.97 sq.m.).  The property is held from the Government under various Government Leases for the respective terms as follows:-	(100% interest attributable to the Group: HK\$53,000,000)	
	<b>Lot No.</b>	<b>Lease Tenure</b>	
	M.L. 201 s.A ss.1 s.D R.P, I.L. 3604 I.L. 3605, I.L. 3606	999 years from 25 June 1862	
	M.L. 202A s.A R.P. s.B ss.1 R.P., s.B ss.2 R.P. s.B R.P.	999 years from 25 June 1864	

*Notes:*

- (1) The registered owner of the property is Rich Max Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to an Order under Section 24(1) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and not taken into account the costs of remedial/preventive works required by the Order. The Order does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
44. Various units of (A Block), Cathay Mansion, 3–17 Tung Lo Wan Road, Causeway Bay, Hong Kong  39/210th shares of and in Section F of Inland Lot No. 1149	The property comprises 39 units of a 14-storey residential building completed in 1966.  The property has a total saleable area of approximately 24,402 sq.ft. (2,267.00 sq.m.).  The property is held from the Government under Government Lease for a term of 999 years from 20 May 1889. The current Government rent payable for the lot is HK\$170 per annum.	The property is partly vacant and the remaining portion is subject to various tenancies with the latest term due to expire on 2 March 2027 at a total monthly rent of HK\$598,600.	HK\$277,400,000 (HONG KONG DOLLARS TWO HUNDRED SEVENTY SEVEN MILLION AND FOUR HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$277,400,000)

Notes:

(1) Ownership of the property:

Property	Registered Owner*
Flat D, 2nd Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Win Asset Limited
Flat H, 2nd Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Win Asset Limited
Flat C, 3rd Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat D, 3rd Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat E, 3rd Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat F, 3rd Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat A, 4th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat B, 4th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat E, 4th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat F, 4th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat B, 5th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Win Asset Limited
Flat E, 5th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Win Asset Limited

<b>Property</b>	<b>Registered Owner*</b>
Flat D, 6th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat A, 7th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat A, 8th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Gigantic Power Limited
Flat D, 8th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat G, 8th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat A, 9th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat C, 9th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat D, 9th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat E, 9th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Gigantic Power Limited
Flat A, 10th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat B, 10th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat D, 10th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat F, 10th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat G, 10th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat D, 11th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat B, 12th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat C, 12th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Gigantic Power Limited
Flat E, 12th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat F, 12th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat G, 12th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat A, 13th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited
Flat B, 13th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Gigantic Power Limited
Flat C, 13th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Gigantic Power Limited
Flat E, 13th Floor, (A Block) Cathay Mansion, Nos. 3-17 Tung Lo Wan Road	Win Asset Limited

<b>Property</b>	<b>Registered Owner*</b>
Flat F, 13th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Win Asset Limited
Flat G, 13th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Gigantic Power Limited
Flat H, 13th Floor, (A Block) Cathay Mansion, Nos. 3–17 Tung Lo Wan Road	Win Asset Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

- (2) The property is subject to two Orders under Section 24(1) and Section 26, a Superseding Order under Section 26 and two Notices under Section 30B(3) and Section 30C(3) mainly related to the common part(s) of the building or certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders, Superseding Order and Notices and not taken into account the costs of the remedial/preventive works required by the Orders, Superseding Order and Notices. The Orders, Superseding Order and Notices do not have a material impact on the valuation.
- (3) The property is subject to various Notices under Section 24C(1), Section 30B(3) and Section 30C(3) and various Orders under Section 24(1) and Section 26 mainly related to the common part(s) of the building or certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and Orders and not taken into account the costs of the remedial/preventive works required by the Notices and Orders (Re: Flats B and D on 10th Floor and Flat F on 12th Floor). The Notices and Orders do not have a material impact on the valuation.
- (4) The property is subject to a Mortgage in favour of Gold Best Management Limited for all moneys (Re: Flats C, D, E, F on 3rd Floor, Flats A, B, E, F on 4th Floor, Flat A on 8th Floor, Flat E on 9th Floor, Flat C on 12th Floor and Flats B, C, G on 13th Floor).
- (5) The property is subject to a Notice of Charge laid under the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) Section 5B(1) issued by the Hotel and Guesthouse Accommodation Authority for the offences under Section 5/5A of the Ordinance. However, in the course of our valuation, we have disregarded the Notice of Charge and not taken into account the costs of the remedial/preventive works required by the Notice of Charge (Re: Flat B on 5th Floor). The Notice of Charge does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
45. 2nd Floor and 3rd Floor, 6B Peace Avenue, Ho Man Tin, Kowloon  2/5th share of and in Sub-section 1 of Section A of Kowloon Inland Lot No. 1312, Section A of Kowloon Inland Lot No. 1314 and Section A of Kowloon Inland Lot No. 1624	<p>The property comprises 2 residential units of a 5-storey composite building completed in 1955.</p> <p>The property has a total saleable area of approximately 2,368 sq.ft. (219.99 sq.m.).</p> <p>The property is held from the Government under three Government Leases for respective terms of 75 years from 1 December 1913 renewed for a further term of 75 years. The total current Government rent payable for the property is HK\$3,562 per annum.</p>	<p>The property is fully let and subject to various tenancies with the latest term due to expire on 31 May 2026 at a total monthly rent of HK\$32,100.</p>	<p>HK\$18,500,000 (HONG KONG DOLLARS EIGHTEEN MILLION AND FIVE HUNDRED THOUSAND)</p>

Notes:

- (1) The registered owner of the property is Empire Talent Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Orders under Section 24(1) related to certain unauthorized structures and two Notices under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and Notices and not taken into the account the costs of the remedial/preventive works required by the Orders and Notices. The Orders and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
46. 1st Floor, 6A Peace Avenue, Ho Man Tin, Kowloon	The property comprises a residential unit on the 1st floor of a 5-storey composite building completed in 1955.	The property is internally partitioned. The property is fully let and subject to 5 tenancies with the latest term due to expire on 28 February 2026 at a total monthly rent of HK\$22,900.	HK\$10,300,000 (HONG KONG DOLLARS TEN MILLION AND THREE HUNDRED THOUSAND)
1/5th share of and in Sub-section 2 of Section A of Kowloon Inland Lot No. 1312, Section B of Kowloon Inland Lot No. 1314 and Section B of Kowloon Inland Lot No. 1624	The property has a saleable area of approximately 1,302 sq.ft. (121 sq.m.).  The property is held from the Government under three Government Leases for respective terms of 75 years from 1 December 1913 renewed for a further term of 75 years. The current Government rent payable for the property is HK\$1,978 per annum.		(100% interest attributable to the Group: HK\$10,300,000)

*Notes:*

- (1) The registered owner of the property is Empire Talent Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
47. Various units of 8 San Lau Street, Hung Hom, Kowloon  5/7th shares of and in Section D of Kowloon Inland Lot No. 2389	The property comprises a ground floor shop and 4 residential units of a 7-storey composite building completed in 1958.  The property has a total saleable area of approximately 3,326 sq.ft. (309.1 sq.m.).  The property is held from the Government under a Government Lease for a term of 75 years from 19 January 1904 renewed for a further term of 75 years.	The property is fully let and subject to various tenancies with the latest term due to expire on 31 May 2026 at a total monthly rent of HK\$47,300.	HK\$22,700,000 (HONG KONG DOLLARS TWENTY TWO MILLION AND SEVEN HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$22,700,000)

*Notes:*

- (1) The registered owner of the property is Wealthy Standard Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
Ground Floor, No. 8 San Lau Street  
1st Floor, No. 8 San Lau Street  
2nd Floor, No. 8 San Lau Street  
4th Floor, No. 8 San Lau Street  
5th Floor, No. 8 San Lau Street
- (3) The property is subject to two Orders under Section 28(3) related to the drains of the building and Section 24(1) related to certain unauthorized structures and two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and Notices and not taken into account the costs of the remedial/preventive works required by the Orders and Notices (Re: 1st Floor). The Orders and Notices do not have a material impact on the valuation.
- (4) The property is subject to an Order under Section 28(3) related to the drains of the building and two Notices under Section 30B(3) and Section 30C(3) related to certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Order and Notices and not taken into account the costs of the remedial/preventive works required by the Order and Notices. (Re: Ground Floor, 2nd Floor, 4th Floor and 5th Floor). The Order and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
48. Ground Floor, Mezzanine Floor and 3rd Floor, 16 San Lau Street, Hung Hom, Kowloon  3/6th shares of and in Kowloon Inland Lot No. 1973	<p>The property comprises a ground floor shop unit, the mezzanine floor and a residential unit on the 3rd floor of a 6-storey (including mezzanine floor) composite building completed in 1956.</p> <p>The ground floor shop has a saleable area of approximately 796 sq.ft. (73.95 sq.m.) with a yard of approximately 269 sq.ft. (24.99 sq.m.). The area of the mezzanine floor is approximately 165 sq.ft. (15.33 sq.m.).</p> <p>The residential unit on the 3rd floor has a saleable area of approximately 653 sq.ft. (60.70 sq.m.).</p>	<p>The property is partly vacant and subject to a tenancy for a term of 2 years from 1 June 2024 to 31 May 2026 at a monthly rent of HK\$17,000.</p>	<p>HK\$16,300,000 (HONG KONG DOLLARS SIXTEEN MILLION AND THREE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$16,300,000)</p>

*Notes:*

- (1) The registered owner of the property is Wealthy Standard Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
49. 10–11 Knutsford Terrace, Tsim Sha Tsui, Kowloon	The property comprises a 24-storey commercial building completed in 1999.	Except portions of the property comprising a total gross floor area of approximately 30,030 sq.ft. which are vacant, the remaining portions of the property are subject to various tenancies with the latest term due to expire on 14 October 2027 at a total monthly rent of approximately HK\$2,350,000.	HK\$1,097,000,000 (HONG KONG DOLLARS ONE BILLION AND NINETY SEVEN MILLION)

According to the information provided by the Company, the total gross floor area of the property is approximately 114,118 sq.ft. (10,601.82 sq.m.).

The property is held under Conditions of Renewal No. 6052 and Conditions of Re-grant No. 6250 for the same term of 150 years commencing from 25 December 1888. The current total Government rent payable for the lots is HK\$832 per annum.

*Notes:*

- (1) The registered owner of the property is Upper Wealthy Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Debenture and Mortgage in favour of Hang Seng Bank Limited.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
50. Various units of 34, 34A, 36, 38, 38A and 40 Portland Street, Yau Ma Tei, Kowloon	The property comprises 8 residential units and a portion of the flat roof in two blocks of 6-storey composite buildings completed in 1971.	The property is partly vacant and partly subject to various tenancies with the latest term due to expire on 14 December 2026 at a total monthly rent of HK\$33,200.	HK\$16,990,000 (HONG KONG DOLLARS SIXTEEN MILLION NINE HUNDRED AND NINETY THOUSAND)

(100% interest attributable to the Group: HK\$16,990,000)

The property is held from the Government under Conditions of Grant No. 9778 for a term of 150 years from 25 December 1894. The current Government rent payable for the lot is HK\$186 per annum.

*Notes:*

- (1) The registered owner of the property is Up Sky Investment Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
 3rd Floor, No. 34 Portland Street  
 3rd Floor, No. 34A Portland Street  
 3rd Floor, No. 36 Portland Street  
 3rd Floor, No. 38 Portland Street  
 4th Floor, No. 38A Portland Street  
 1st Floor and a portion of Flat Roof, 40 Portland Street  
 3rd Floor, No. 40 Portland Street  
 4th Floor, No. 40 Portland Street
- (3) The property is subject to various Orders under Section 26 and Section 28(3) mainly related to the common part(s) of the building and Notices under Section 24C(1) related to certain unauthorized structures and Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Orders and Notices and not taken into account the costs of the remedial/preventive works required by the Orders and Notices. The Orders and Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
51. 3rd and 5th Floors, 26 Waterloo Road, Yau Ma Tei, Kowloon	The property comprises two residential units of a 6-storey composite building completed in 1961.	The property is internally partitioned and the property is fully let and subject to various tenancies with the latest term due to expire on 31 December 2026 at a total monthly rent of HK\$18,100.	HK\$11,660,000 (HONG KONG DOLLARS ELEVEN MILLION SIX HUNDRED AND SIXTY THOUSAND)
2/18th shares of and in Kowloon Inland Lot No. 9814	The property has a total saleable area of approximately 1,309 sq.ft. (121.61 sq.m.).	The property is held from the Government under a Government Lease for a term of 150 years from 25 December 1894. The current Government rent payable for the lot is HK\$94 per annum.	(100% interest attributable to the Group: HK\$11,660,000)

*Note:* The registered owner of the property is Up Sky Investment Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
52. Various units on Tung Ming Industrial Building, 3 San Yick Lane, Tuen Mun, New Territories  12/18th shares of and in Castle Peak Town Lot No. 7	The property comprises 6 workshops, 2 flat roofs and 4 carpark spaces of a 9-storey industrial building completed in 1977.  The property has a total saleable area of approximately 37,819 sq.ft. (3,513.47 sq.m.).  The property is held from the Government under New Grant No. TM1502 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.	The property is partly vacant and partly subject to various tenancies with the latest term due to expire on 3 June 2028 at a total monthly rent of approximately HK\$362,000.	HK\$116,800,000 (HONG KONG DOLLARS ONE HUNDRED SIXTEEN MILLION AND EIGHT HUNDRED THOUSAND)  (100% interest attributable to the Group: HK\$116,800,000)

Notes:

(1) Ownership of the property:

Property	Registered Owner*
Workshop on G/F, CP6 & CP7 on G/F, Tung Ming Industrial Building, 3 San Yick Lane	Success Trader Limited
Workshop on 1/F & Flat Roof, Tung Ming Industrial Building, 3 San Yick Lane	Success Trader Limited
Workshop on 2/F, Tung Ming Industrial Building, 3 San Yick Lane	Asset Smart Corporation Limited
Workshop on 3/F, Tung Ming Industrial Building, 3 San Yick Lane	Joyful Asset Limited
Workshop on 4/F & Flat Roof & CP4, Tung Ming Industrial Building, 3 San Yick Lane	Joyful Asset Limited
Workshop on 5/F & CP3 on G/F, Tung Ming Industrial Building, 3 San Yick Lane	Asset Smart Corporation Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

(2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and not taken into account the costs of the remedial/preventive works required by the Notice. The Notice does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
53. Factory Flats A and B on 4th Floor including Portions of Flat Roofs adjacent thereto, Prince Industrial Building, 5 Sun Yip Street, Chai Wan, Hong Kong	<p>The property comprises 2 factory units on the 4th floor including portions of flat roofs of a 14-storey industrial building completed in 1977.</p> <p>The property has a total saleable area of approximately 7,725 sq.ft. (717.67 sq.m.).</p>	<p>The property is subject to 2 tenancies with the latest term due to expire on 30 November 2025 at a total monthly rent of approximately HK\$292,000.</p>	<p>HK\$34,500,000 (HONG KONG DOLLARS THIRTY FOUR MILLION AND FIVE HUNDRED THOUSAND)</p>
14/204th shares of and in Chai Wan Inland Lot No. 46	<p>The property is held from the Government under Conditions of Sale No. 9830 for a term of 75 years from 18 January 1971 renewed for a further term of 75 years. The current Government rent payable for the property is HK\$220 per annum.</p>		<p>(100% interest attributable to the Group: HK\$34,500,000)</p>

*Note:* The registered owner of property is One Storage (SSW1) Company Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
54. Workshops 01 and 02 on Ground Floor, iPlace, 303 Castle Peak Road Kwai Chung, Tsuen Wan, New Territories  1513/99505th shares of and in Section A of Lot No. 693 in Demarcation District No. 445	<p>The property comprises 2 workshop units on the ground floor of a 23-storey industrial building completed in 2017.</p> <p>The property has a total gross floor area of approximately 2,660 sq.ft. (247.12 sq.m.).</p> <p>The property is held from the Government under New Grant No. TW3554 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.</p>	The property is vacant.	<p>HK\$15,900,000 (HONG KONG DOLLARS FIFTEEN MILLION AND NINE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$15,900,000)</p>

*Note:* Ownership of the property:

Property	Registered Owner*
Workshop 01 on G/F Workshop 02 on G/F	Honest Rich Limited World Lucky Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
55. Units D and E on 2nd Floor, Building B, Mercantile Industrial & Warehouse Building, 16–24 Ta Chuen Ping Street, Kwai Chung, New Territories	<p>The property comprises 2 factory units on 2nd floor of a 12-storey industrial building with a basement completed in 1976.</p> <p>The property has a total saleable area of approximately 13,280 sq.ft. (1,233.74 sq.m.).</p>	<p>The property is subject to 2 tenancies with the latest term due to expire on 10 April 2028 at a monthly rent of approximately HK\$192,000.</p>	<p>HK\$34,900,000 (HONG KONG DOLLARS THIRTY FOUR MILLION AND NINE HUNDRED THOUSAND)</p>
100/3000th shares of Lot No. 301 in Demarcation District No. 444	<p>The property is held from the Government under New Grant No. TW3962 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.</p>		<p>(100% interest attributable to the Group: HK\$34,900,000)</p>

*Notes:*

- (1) The registered owner of the property is Ace Plan Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a Notice under Section 30B(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notice and not taken into account the costs of the remedial/preventive works required by the Notice. The Notice does not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
56. Factory Units E, H, I and J on 6th Floor and Factory Unit J on 16th Floor and Portion of Main Roof, Fu Cheung Centre, 5-7 Wong Chuk Yeung Street, Fo Tan, New Territories	<p>The property comprises 5 factory units and portion of main roof of a 17-storey industrial building completed in 1984.</p> <p>The property has a total saleable area of 9,690 sq.ft. (900.22 sq.m.). The area of the main roof is approximately 1,452 sq.ft. (134.89 sq.m.).</p>	<p>The property is partly vacant and partly subject to various tenancies with the latest term due to expire on 12 November 2025 at a total monthly rent of approximately HK\$226,000.</p>	<p>HK\$38,100,000 (HONG KONG DOLLARS THIRTY EIGHT MILLION AND ONE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$38,100,000)</p>
104/4180th shares of and in Sha Tin Town Lot No. 78	<p>The property is held from the Government under New Grant No. ST11327 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.</p>		

*Note:* The registered owner of the property is Key Max Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
57. Various workshops of Block C and Block D and Car Parking Space No. 111 on 1st Floor, Tsing Yi Industrial Centre Phase II, 1–33 Cheung Tat Road, Tsing Yi, New Territories	The property comprises 31 workshops on the 5th floor and 7th floor and 1 car parking space on the 1st floor of two blocks of 14-storey industrial building erected upon a 2-storey parking podium completed in 1985.	The property is subject to various tenancies with the latest term due to expire on 31 October 2026 at a total monthly rent of approximately HK\$880,000.	HK\$149,100,000 (HONG KONG DOLLARS ONE HUNDRED FORTY NINE MILLION AND ONE HUNDRED THOUSAND)
268/10000th shares of and in Tsing Yi Town Lot No. 65	The property has a total saleable area of 52,192 sq.ft. (4,848.76 sq.m.).		(100% interest attributable to the Group: HK\$149,100,000)
	The property is held from the Government under New Grant No. TW5478 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.		

*Notes:*

- (1) The registered owner of the property is Green Trader Limited, which is a wholly owned subsidiary of the Company.
- (2) The property comprises the following units:  
Workshops C1 to C3 on 7th Floor of Block C  
Workshops D1 to D14 on 5th Floor of Block D  
Workshops D1 to D14 on 7th Floor of Block D  
Car Parking Space No. 111 on 1st Floor

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
58. South China Cold Storage Building, 13–17 Wah Shing Street, Kwai Chung, New Territories	The property comprises a 6-storey industrial building including a basement and 8 car parking spaces completed in 1969.	The property is vacant.	HK\$470,000,000 (HONG KONG DOLLARS FOUR HUNDRED AND SEVENTY MILLION)
Section A of Kwai Chung Town Lot No. 111	<p>The property has a site area of approximately 19,134 sq.ft. (1,777.61 sq.m.).</p> <p>The property has a total saleable area of 79,826 sq.ft. (7,416.02 sq.m.).</p> <p>The property is held from the Government under New Grant No. TW4668 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.</p>		(100% interest attributable to the Group: HK\$470,000,000)

## Notes:

- (1) The registered owner of the property is Master Green Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to various Notices under Section 24C(1), Section 30B(3) and Section 30C(3), an Order under Section 26, a Superseding Order under Section 24(1) and two Superseding Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building and certain unauthorized structures of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices, Orders and Superseding Orders and not taken into account the costs of remedial/preventive works required by the Notices, Orders and Superseding Orders. The Notices and Orders do not have a material impact on the valuation.
- (3) The property is subject to a Warning Letter for the office purposes when is in contravention of Special Condition No. 4 of New Grant No. 4668. from District Lands Officer, Tsuen Wan and Kwai Tsing. However, in the course of our valuation, we have disregarded the Warning Letter and not taken into account the costs of the remedial works required by the Warning Letter (Re: 3rd Floor). The Warning Letter does not have a material impact on the valuation.
- (4) The property falls within the “Industrial” zone on draft Kwai Chung Outline Zoning Plan No. S/KC/32 dated 3 October 2023.

- (5) The property is granted with an approval from the Town Planning Board on 24 May 2024 in respect of a planning application for a proposed minor relaxation of plot ratio restriction for permitted warehouse use (excluding dangerous goods godown) with a non-domestic gross floor area of about 20,264.7 sq.m. which is valid until 24 May 2028.
- (6) In arriving at our valuation, we have taken into consideration the redevelopment potential of the property as permitted under the approval of the Town Planning Board. However, the Company advised that the timing and design of the development has not yet been determined.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
59. Unsold Portion of iCity, 111 Ta Chuen Ping Street, Kwai Chung, New Territories	iCity comprises a 20-storey industrial building with a basement carpark completed in 2023.	The property is vacant.	HK\$995,200,000 (HONG KONG DOLLARS NINE HUNDRED NINETY FIVE MILLION AND TWO HUNDRED THOUSAND)
Sundry shares of and in Section A of Lot No. 313 in Demarcation District No. 444	The development comprises 324 workshops in Phase 1 and 277 workshops in Phase 2. It also comprises 5 private car parking spaces, 7 light goods vehicle parking spaces and 4 heavy goods vehicle parking spaces in the basement.	(100% interest attributable to the Group: HK\$995,200,000)	
	The property (the unsold portion of iCity) which according to the information provided by the Company includes 121 workshops in Phase 1 and 277 workshops in Phase 2, 24 private car parking spaces, 7 light goods vehicle parking spaces and 4 heavy goods vehicle parking spaces.	The property has a total gross floor area of 167,011 sq.ft. (15,515.70 sq.m.).	
	The property is held from the Government under New Grant No. TW4286 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.		

*Notes:*

- (1) The registered owners of the property are TCP Investment Properties Limited and iCity Owner Limited (Car Parking Space No. P24 on Basement), which are wholly owned subsidiaries of the Company.
- (2) According to the Land Registry, 29 units with a total gross floor area of approximately 13,103 sq.ft. (1,217.30 sq.m.) of the property have been pre-sold for a total consideration of about HK\$124,000,000. In the course of our valuation, we have included such pre-sold portions and taken into account such consideration in our valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
60. Various factories, Flat Roof 3 on 17th Floor and Car Parking Space L10 on Ground Floor, Tai Ping Industrial Centre Block 2, 55 Ting Kok Road, Tai Po, New Territories	The property comprises a factory unit on the 11th floor, a factory unit on the 16th floor, a factory unit on the 14th floor, flat roof on the 17th floor and 1 car parking space on the ground floor of an 18-storey industrial building completed in 1981.	The property is subject to various tenancies with the latest term due to expire on 31 December 2025 at a total monthly rent of approximately HK\$146,000.	HK\$41,500,000 (HONG KONG DOLLARS FORTY ONE MILLION AND FIVE HUNDRED THOUSAND)
226/5792nd shares of and in Lot No. 1700 in Demarcation District No. 11	The property has a total saleable area of approximately 12,075 sq.ft. (1,121.79 sq.m.) with a flat roof of approximately 158 sq.ft. (14.68 sq.m.).		(100% interest attributable to the Group: HK\$41,500,000)
	The property is held from the Government under New Grant No. TP11285 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.		

*Note:* Ownership of the property:

Property	Registered Owner*
Flat E on 11th Floor	State Luck Limited
Flat E on 16th Floor	Gold Creation Investment Limited
Flat D on 14th Floor, Flat Roof 3 on 17th Floor and Car Parking Space L10 on Ground Floor	Ost Investment Limited

\* All the registered owners are wholly owned subsidiaries of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
61. Workshop Unit C on 1st Floor, Wah Fai Industrial Building, 4 Sze Shan Street, Yau Tong, Kowloon  12/554th shares of and in Yau Tong Inland Lot No. 17	<p>The property comprises a workshop unit on the 1st floor of an 8-storey industrial building completed in 1977.</p> <p>The property has a saleable area of approximately 4,410 sq.ft. (409.70 sq.m.).</p> <p>The property is held from the Government under Conditions of Sale No. 10164 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.</p>	<p>The property is subject to a tenancy from 1 January 2025 to 31 December 2025 at a monthly rent of HK\$80,900.</p>	<p>HK\$19,000,000 (HONG KONG DOLLARS NINETEEN MILLION)</p> <p>(100% interest attributable to the Group: HK\$19,000,000)</p>

*Note:* The registered owner of the property is Ever Fantasy Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
62. Unit B on 15th Floor, Prince Industrial Building, 706 Prince Edward Road East, San Po Kong, Kowloon  21/1170th shares of and in New Kowloon Inland Lot No. 4793	<p>The property comprises a workshop unit on the 15th floor of a 25-storey industrial building completed in 1973.</p> <p>The property has a saleable area of approximately 5,420 sq.ft. (503.53 sq.m.).</p>	<p>The property is subject to a tenancy from 1 January 2025 to 31 December 2025 at a monthly rent of HK\$102,500.</p>	<p>HK\$24,400,000 (HONG KONG DOLLARS TWENTY FOUR MILLION AND FOUR HUNDRED THOUSAND)</p>
	<p>The property is held from the Government under Government Lease for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.</p>		<p>(100% interest attributable to the Group: HK\$24,400,000)</p>

*Note:* The registered owner of the property is Ost Assets Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
63. Factories G & H on 6th Floor, Kwai Shing Industrial Building (Phase II), 42–46 Tai Lin Pai Road, Kwai Chung, New Territories  32/1873rd shares of and in Kwai Chung Town Lot No. 140	<p>The property comprises two factory units on 6th floor of a 16-storey industrial building completed in 1972.</p> <p>The property has a total saleable area of approximately 8,360 sq.ft. (776.66 sq.m.).</p> <p>The property is held from the Government under New Grant No. TW4711 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable for the time being of the property per annum.</p>	<p>The property is subject to a tenancy from 1 February 2025 to 31 December 2025 at a monthly rent of HK\$57,900.</p>	<p>HK\$20,000,000 (HONG KONG DOLLARS TWENTY (100% interest attributable to the Group: HK\$20,000,000)</p>

*Note:* The registered owner of the property is Ost Properties Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
64. Workshops Unit A and B on 5th Floor, Wah Wai Industrial Building, 1–7 Wo Heung Street, Fo Tan, Shatin, New Territories  24/543rd shares of and in Sha Tin Town Lot No. 9	<p>The property comprises two factory units on 5th floor of a 15-storey industrial building completed in 1978.</p> <p>The property has a total saleable area of approximately 5,790 sq.ft. (537.90 sq.m.).</p>	The property is vacant.	<p>HK\$20,200,000 (HONG KONG DOLLARS TWENTY MILLION AND TWO HUNDRED THOUSAND)</p>

*Note:* The registered owner of the property is PBSV Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
65. 20.238% interest attributable to the Group of various car parking spaces at Jones Hive, 8 Jones Street, Causeway Bay, Hong Kong	The property comprises 11 car parking spaces of a 37-storey residential building with a 31-level residential block erected on a 6-storey car parking and club house podium completed in 2016.	The property is vacant.	HK\$3,300,000 (HONG KONG DOLLARS THREE MILLION AND THREE HUNDRED THOUSAND)

66/5500th shares of and in the Remaining Portion of Tai Hang Inland Lot No. 165

The property is held from the Government under Government Lease for a term of 75 years renewable for 75 years from 25 September 1905. The current Government rent payable for the property is HK\$11,880 per annum.

(100% interest attributable to the Group: HK\$3,300,000)

*Notes:*

- (1) The registered owners of the property are Keep New Investment Limited (Re: 17/84 of 66/5500th shares), which is a wholly owned subsidiary of the Company, City Castle Limited (37/84 of 66/5500th shares) and Golden Sharp Limited (30/84 of 66/5500th shares), which are independent of the Company.
- (2) The property comprises Residential Parking Space Nos. 01, 03, 06, 07, 08 on the 1st Floor, Residential Parking Space Nos. 15, 16, 17 on the 2nd Floor and Residential Parking Space Nos. 18, 19 and 20 on the 3rd Floor.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
66. Lot Nos. 548 and 549 in Demarcation District No. 112, Yuen Long, New Territories	<p>The property comprises two adjoining agricultural lots within Demarcation District No. 112 in Yuen Long. It is located on the northern side of Kam Sheung Road near Shui Lau Tin Tsuen.</p> <p>The total site area of the property is approximately 50,094 sq.ft. (4,653.85 sq.m.).</p>	The property is vacant.	<p>HK\$22,500,000 (HONG KONG DOLLARS TWENTY TWO MILLION AND FIVE HUNDRED THOUSAND)</p>

The property is held from the Government under Block Government Lease for a term expiring on 30 June 2047. The current Government rent payable for the lot is an amount equal to 3% of the rateable value for the time being of the lot per annum.

*Notes:*

- (1) The registered owner of the property is High Lucky Limited, which is a wholly owned subsidiary of the Company.
- (2) The property falls within the zone of "Village Type Development" or "Agriculture" in the Approved Shek Kong Outline Zoning Plan No. S/YL-SK/9 dated 27 October 2006.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
67. Lot Nos. 921 and 922 in Demarcation District No. 244, Sai Kung, New Territories	<p>The property comprises two agricultural lots situated on the southwest side of New Hiram's Highway adjacent to Villa Royale in Sai Kung.</p> <p>The property has a total site area of approximately 4,791 sq.ft. (445.09 sq.m.).</p> <p>The property is held from the Government under Block Government Lease for a term of 75 years from 1 July 1898 renewed for a further term of 24 years which has been statutorily extended until 30 June 2047.</p> <p>The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the lot per annum.</p>	The property is vacant.	<p>HK\$480,000 (HONG KONG DOLLARS FOUR HUNDRED AND EIGHTY THOUSAND)</p> <p>(100% interest attributable to the Group: HK\$480,000)</p>

*Notes:*

- (1) The registered owner of the property is Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.
- (2) The property falls within the zone of "Green Belt" or "Residential (Group C)" in the Draft Ho Chung Outline Zoning Plan No. S/SK-HC/12 dated 22 November 2024.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
68. Flat Roof C on Podium Floor, Amber Lodge, 23 Hollywood Road, Central, Hong Kong	The property comprises a flat roof on podium floor of a 21-storey composite building completed in 1998.	The property is vacant.	No commercial value
2/1731st shares of and in the Remaining Portion of Inland Lot Nos. 4475, 4476 and 4477	The property is held from the Government under various Government Leases all for a term of 999 years from 22 January 1844. The current Government rent payable for I.L. 4475, 4476 and 4477 is HK\$30 per annum.		

*Note:* The registered owner of the property is Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
69. Canopy, Upper External Wall, All External Walls (other than Upper External Wall) & All parts of Building reserved by 1st owner (other than Units & Common Areas), The Jolly House, 16 Lin Fa Kung Street West, Causeway Bay, Hong Kong  5/1616th shares of and in Sub-sections 1 and 2 of Section A of Inland Lot No. 1740	<p>The property comprises the canopy between ground floor and 1st floor facing Lin Fa Kung Street West, all externals walls and all parts of building reserved by 1st owner (other than units and common areas) of a 24-storey composite building completed in 1998.</p> <p>The property is held from the Government under Government Lease for a term of 75 years from 1 May 1905 renewed for 75 years. The current Government rent payable for the whole building is HK\$2,394 per annum.</p>	The property is vacant.	No commercial value

*Note:* The registered owner of the property is Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
70. Sub-section 1 of Section D of Marine Lot No. 202A	<p>The property comprises a vacant lot situated on a service lane between Tang Lung Street and Russell Street in Causeway Bay, Hong Kong</p> <p>The property has a site area of approximately 150 sq.ft. (13.94 sq.m.).</p> <p>The property is held from the Government under Government Lease for a term of 997 years from 25 June 1864. The current Government rent payable for the lot is HK\$6 per annum.</p>	The property is vacant.	No commercial value

*Notes:*

- (1) The registered owner of the property is Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to an Agreement to Surrender in favour of The Registrar General vide Memorial No. UB905971 dated 4 August 1972.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
71. Undemolished Staircase and Roof & Additional Storeys (if any), Goldfield Tower, 53–59 Wuhu Street, Hung Hom, Kowloon	The property comprises an undemolished staircase adjacent to No. 61 Wuhu Street and roof and additional storeys (if any) of a 16-storey commercial building completed in 1991.	The property is vacant.	No commercial value
47/280th shares of and in Hung Hom Inland Lot Nos. 340, 487, 422 and 352	The property is held from the Government under various Government Leases and terms:		
Lot	Held under	Lease term	
HHIL 340	Conditions of Regrant No. UB5571	150 years from 27 April 1885	
HHIL 487	Government Lease	150 years from 27 April 1883	
HHIL 352 & 422	Government Leases	150 years from 27 April 1885	
The current Government rent payable for the lots is HK\$136 per annum.			

*Notes:*

- (1) The registered owner of the property is Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to two Notices under Section 30B(3) and Section 30C(3) related to the common part(s) of the building of the Buildings Ordinance issued by the Building Authority. However, in the course of our valuation, we have disregarded the Notices and not taken into account the costs of the remedial/preventive works required by the Notices. The Notices do not have a material impact on the valuation.

## VALUATION REPORT

## Group I — Property interests held for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
72. Retained Areas, Warrenwoods, 23 Warren Street, Causeway Bay, Hong Kong	The property comprises portion of the pavement on the ground floor facing Second Lane of a 34-storey residential building completed in 2012.	The property is vacant.	No commercial value
3/1022th shares of and in Sections B, C, D, E, G and H and Sub-section 1 & the Remaining Portion of Section F of Inland Lot No. 2040	The property is held from the Government under Government Lease for a term of 75 years from 15 September 1913 renewed for 75 years. The current Government rent payable for the whole building is HK\$60,408 per annum.		

*Note:* The registered owner of the property is Profit Assets Management Limited, which is a wholly owned subsidiary of the Company.

## VALUATION REPORT

## Group II — Property interests held for occupation

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025						
73. 20th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong	The property comprises the office floor on the 20th floor of a 37-storey commercial building completed in 1996. Extension works were carried out and completed in 2002.	The property is owner occupied.	HK\$119,000,000 (HONG KONG DOLLARS ONE HUNDRED AND NINETEEN MILLION)						
50/2060th shares of and in the Remaining Portion of Section J, the Remaining Portion of Section D, the Remaining Portion of Section B of Sub-section 1 of Section A and the Remaining Portion of Section A of Marine Lot No. 201, the Remaining Portion of Section E, the Remaining Portion of Sub-section 1 of Section F, the Remaining Portion of Sub-section 2 of Section F and the Remaining Portion of Section F of Marine Lot No. 202A, the Remaining Portion and the Remaining Portion of Section A of Inland Lot No. 3595 and the Remaining Portion of Inland Lot No. 3594	The gross floor area of the property is approximately 7,156 sq.ft. (664.81 sq.m.).	The property is held from the Government under various Government Leases for the respective terms as follows:	(100% interest attributable to the Group: HK\$119,000,000)						
	<table border="1"> <thead> <tr> <th data-bbox="515 955 653 982">Lot No.</th> <th data-bbox="732 955 860 982">Lease Tenure</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1018 653 1209">M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.</td> <td data-bbox="732 1018 876 1209">999 years from 25 June 1862</td> </tr> <tr> <td data-bbox="515 1230 653 1357">M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.</td> <td data-bbox="732 1230 876 1357">997 years from 25 June 1864</td> </tr> </tbody> </table>	Lot No.	Lease Tenure	M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.	999 years from 25 June 1862	M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.	997 years from 25 June 1864		
Lot No.	Lease Tenure								
M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.	999 years from 25 June 1862								
M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.	997 years from 25 June 1864								

*Notes:*

- (1) The registered owner of the property is Golden Relay Company Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a mortgage to secure general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited.

## VALUATION REPORT

## Group II — Property interests held for occupation

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025
74. 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong	The property comprises the office floor on the 21st floor of a 37-storey commercial building completed in 1996. Extension works were carried out and completed in 2002.	The property is owner-occupied.	HK\$119,000,000 (HONG KONG DOLLARS ONE HUNDRED AND NINETEEN MILLION)
51/2060th shares of and in the Remaining Portion of Section J, the Remaining Portion of Section D, the Remaining Portion of Section B of Sub-section 1 of Section A and the Remaining Portion of Section A of Marine Lot No. 201, the Remaining Portion of Section E, the Remaining Portion of Sub-section 1 of Section F, the Remaining Portion of Sub-section 2 of Section F and the Remaining Portion of Section F of Marine Lot No. 202A, the Remaining Portion and the Remaining Portion of Section A of Inland Lot No. 3595 and the Remaining Portion of Inland Lot No. 3594	The gross floor area of the property is approximately 7,156 sq.ft. (664.81 sq.m.).  The property is held from the Government under various Government Leases for the respective terms as follows:		(100% interest attributable to the Group: HK\$119,000,000)
	<b>Lot No.</b>	<b>Lease Tenure</b>	
	M.L. 201 s.J R.P., s.D R.P., s.A ss.1 s.B R.P., I.L. 3595 R.P., s.A R.P. and I.L. 3594 R.P.	999 years from 25 June 1862	
	M.L. 202A s.E R.P., s.F ss.1 R.P., s.F ss.2 R.P. and s.F R.P.	997 years from 25 June 1864	

*Notes:*

- (1) The registered owner of the property is Golden Relay Company Limited, which is a wholly owned subsidiary of the Company.
- (2) The property is subject to a mortgage to secure general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited.

The following is the text of a letter, a valuation summary and valuation certificates prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests held by the Group. Terms defined in this appendix applies to this appendix only.

**Vincorn Consulting and Appraisal Limited**  
Units 1602-4, 16/F  
No. 308 Des Voeux Road Central  
Hong Kong



### The Board of Directors

Soundwill Holdings Limited  
21/F, Soundwill Plaza,  
No. 38 Russell Street,  
Hong Kong

30 April 2025

Dear Sirs,

### INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Values of the property interests located in The People's Republic of China ("The PRC") held by Soundwill Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Values of the property interests as at 28 February 2025 (the "Valuation Date").

### VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission.

### VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

## **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

## **VALUATION METHODOLOGY**

When valuing the property interests held by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

## **POTENTIAL TAX LIABILITIES**

As advised by the Group, the potential tax liabilities which may arise from the sale of the property interests located in The PRC include:

- (i) Value added tax plus surcharges on the consideration at a rate of 5.5%–5.65%;
- (ii) Corporate income tax on the profit from the sale of property at a rate of 25%; and
- (iii) Land value appreciation tax on the appreciated portion of land value at progressive tax rates as follows:

<b>Appreciated portion of land value</b>	<b>Progressive tax rate</b>
Not more than 50%	30%
More than 50% but not more than 100%	40%
More than 100% but not more than 200%	50%
More than 200%	60%

For the property interests located in The PRC, they are currently held by the Group and are not undergoing transaction as at the date of this report. Hence, the likelihood of any potential tax liabilities of these property interests being crystallized is remote.

### **LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the legal opinion dated 24 March 2025 given by The PRC legal adviser of the Group, Silkroad Anchorite & Sage Law Firm, regarding the titles of the property interests located in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

### **INFORMATION SOURCES**

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests located in The PRC. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

### **INSPECTION AND INVESTIGATIONS**

The properties were inspected and no material building defects were identified during inspection. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the properties and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

#### CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollar (“**HKD**”) or Renminbi (“**RMB**”). The exchange rate adopted in our valuation of the property interests in The PRC is approximately RMB1.0 = HKD1.0671 which was approximately the prevailing exchange rate as at the Valuation Date.

The valuation summary and the valuation certificates are attached hereto.

Yours faithfully,  
For and on behalf of  
**Vincorn Consulting and Appraisal Limited**

**Vincent Cheung**  
*BSc(Hons) MBA FHKIS FRICS R.P.S.(GP)  
MCIREA MHKSI MISCM MHIREA FHKIoD  
RICS Registered Valuer  
Registered Real Estate Appraiser & Agent PRC  
Managing Director*

*Note:*

*Vincent Cheung is fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region (“**Hong Kong**”), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People’s Republic of China. He is suitably qualified to carry out the valuation and has over 27 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.*

## VALUATION SUMMARY

## Property Interests Held by the Group for Sale in The PRC

No.	Property	Market Value as at	Interest	Market Value as at
		28 February 2025	Attributable to the Group	28 February 2025
1	A portion of a mixed-use development known as "Jing Hu Wan" located at Shiji Avenue, Jindu Town, Gaoyao District, Zhaoqing, Guangdong Province, The PRC	RMB180,100,000 (HKD192,185,000)	100%	RMB180,100,000 (HKD192,185,000)
2	A portion of a mixed-use development known as "Grand Capital" located at Xinwei Middle Street, Wufuwei, Wufu Village, Jing'an Town, Doumen District, Zhuhai, Guangdong Province, The PRC	RMB84,900,000 (HKD90,597,000)	100%	RMB84,900,000 (HKD90,597,000)
<b>Total:</b>		<b>RMB265,000,000 <u>(HKD282,782,000)</u></b>		<b>RMB265,000,000 <u>(HKD282,782,000)</u></b>

## VALUATION CERTIFICATE

## Property Interests Held by the Group for Sale in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 28 February 2025										
1	A portion of a mixed-use development known as "Jing Hu Wan" located at Shiji Avenue, Jindu Town, Gaoyao District, Zhaoqing, Guangdong Province, The PRC	The property comprises a portion of a mixed-use development erected on three parcels of land with a total site area of approximately 75,248.40 square meters ("sq.m.").  As per information provided by the Instructing Party, Phase 1 of the property comprises residential units and a three-storey composite building with a total gross floor area ("GFA") of approximately 2,904.69 sq.m.. It was completed in various stages between July 2017 and June 2018. Phase 2 of the property comprises residential units, shops and carparking spaces with a total GFA of approximately 30,299.23 sq.m.. It was completed in various stages between November 2019 and January 2020.  The area breakdown of the property is listed as below:	As per our on-site inspection and information provided by the Group, the property is currently vacant and pending for sale.	RMB180,100,000 (RENMINBI ONE HUNDRED EIGHTY MILLION AND ONE HUNDRED THOUSAND) (HKD192,185,000 (HONG KONG DOLLARS ONE HUNDRED NINETY TWO MILLION ONE HUNDRED AND EIGHTY FIVE THOUSAND))  100% Interest Attributable to the Group:  RMB180,100,000 (RENMINBI ONE HUNDRED EIGHTY MILLION AND ONE HUNDRED THOUSAND) (HKD192,185,000 (HONG KONG DOLLARS ONE HUNDRED NINETY TWO MILLION ONE HUNDRED AND EIGHTY FIVE THOUSAND))										
<b>Phase 1</b>														
<b>Portion</b> <b>GFA</b> (sq.m.)														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Residential Units (Block 74 &amp; 75)</td> <td style="width: 10%; text-align: right;">1,080.18</td> </tr> <tr> <td>Composite Building</td> <td style="text-align: right;"><u>1,824.51</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><b><u>2,904.69</u></b></td> </tr> </table>					Residential Units (Block 74 & 75)	1,080.18	Composite Building	<u>1,824.51</u>		<b><u>2,904.69</u></b>				
Residential Units (Block 74 & 75)	1,080.18													
Composite Building	<u>1,824.51</u>													
	<b><u>2,904.69</u></b>													
<b>Phase 2</b>														
<b>Portion</b> <b>GFA</b> (sq.m.)														
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Residential Units (Block 1, 2, 3)</td> <td style="width: 10%; text-align: right;">15,480.99</td> </tr> <tr> <td>Residential Units (Block A &amp; B)</td> <td style="text-align: right;">5,428.32</td> </tr> <tr> <td>Shops (Block A &amp; B)</td> <td style="text-align: right;">596.12</td> </tr> <tr> <td>278 Carparking Spaces</td> <td style="text-align: right;"><u>8,793.80</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><b><u>30,299.23</u></b></td> </tr> </table>					Residential Units (Block 1, 2, 3)	15,480.99	Residential Units (Block A & B)	5,428.32	Shops (Block A & B)	596.12	278 Carparking Spaces	<u>8,793.80</u>		<b><u>30,299.23</u></b>
Residential Units (Block 1, 2, 3)	15,480.99													
Residential Units (Block A & B)	5,428.32													
Shops (Block A & B)	596.12													
278 Carparking Spaces	<u>8,793.80</u>													
	<b><u>30,299.23</u></b>													

The land use rights of the property were granted for various terms expiring on 21 December 2074 and 21 December 2044 for residential and commercial uses respectively.

*Notes:*

1. The property was inspected by Simon Lee *Probationer of HKIS* on 28 February 2025.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIRES FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIRES RICS Registered Valuer Registered Real Estate Appraiser PRC*.
3. Pursuant to two State-owned Land Use Rights Grant Contracts, entered into between the State-owned Land Resources Bureau of Gaoyao District, Guangdong Province, The PRC and Gaoyao Jincheng Real Estate Development Limited, the land use rights of the subject site with a total site area of approximately 75,248.40 sq.m. were granted to Gaoyao Jincheng Real Estate Development Limited at a total consideration of RMB3,536,675 for a term of 70 years for residential and commercial uses.

The details of the State-owned Land Use Rights Grant Contracts are summarized below:

<b>Contract No.</b>	<b>Date of Issue</b>	<b>Use</b>	<b>Land Use Rights Term</b>	<b>Consideration (RMB)</b>	<b>Site Area (sq.m.)</b>
No. (2004) Bu 234	22 December 2004	Residential and Commercial	70 years	3,507,064.80	74,618.40
No. 441283–2007–000366	27 April 2007	Residential and Commercial	70 years	29,610.00	630.00
<b>Total:</b>				<b><u>3,536,674.80</u></b>	<b><u>75,248.40</u></b>

4. Pursuant to three State-owned Land Use Rights Certificates, issued by the People's Government of Gaoyao, the land use rights of the subject site with a total site area of approximately 75,248.40 sq.m. were granted to Gaoyao Jincheng Real Estate Development Limited for various terms expiring on 21 December 2074 and 21 December 2044 for residential and commercial uses respectively.

The details of the State-owned Land Use Rights Certificates are summarized below:

<b>Certificate No.</b>	<b>Date of Issue</b>	<b>Use</b>	<b>Land Use Rights Expiry Date</b>	<b>Site Area (sq.m.)</b>
Gao Yao Guo Yong (2014) Zi Di No. 02675	8 August 2014	Residential and Commercial	21 December 2074	7,156.10
Gao Yao Guo Yong (2014) Zi Di No. 02677	8 August 2014	Residential and Commercial	21 December 2074	51,963.80
Gao Yao Guo Yong (2014) Zi Di No. 02679	8 August 2014	Residential and Commercial	21 December 2074	16,128.50
<b>Total:</b>				<b><u>75,248.40</u></b>

5. Pursuant to six Real Estate Title Certificates, issued by Zhaoqing State-owned Land Resources Bureau and Zhaoqing Natural Resources Bureau respectively, the land use rights of Blocks 5 and 6 and Composite Building of Phase 1, Blocks 1 and 3 of Phase 2, and carparking spaces of the subject development with a total site area of approximately 28,969.24 sq.m. and the building ownership rights of the aforesaid portions of the subject development with a total GFA of approximately 64,207.97 sq.m. were legally vested in Zhaoqing Jincheng Real Estate Development Limited. The land use rights were granted for various terms expiring on 21 December 2074 and 21 December 2044 for residential and commercial uses respectively.

The details of the Real Estate Title Certificates are summarized below:

Certificate No.	Date of Issue	Portion	GFA (sq.m.)
Yue (2018) Zhao Qing Gao Yao Bu Dong Chan Quan Di No. 0023180	9 November 2018	Block 5	13,616.24
Yue (2018) Zhao Qing Gao Yao Bu Dong Chan Quan Di No. 0023179	9 November 2018	Block 6	13,539.11
Yue (2019) Zhao Qing Gao Yao Bu Dong Chan Quan Di No. 0012115	31 May 2019	Composite Building	1,824.51
Yue (2021) Zhao Qing Gao Yao Bu Dong Chan Quan Di No. 0001141	3 February 2021	Carparking Spaces	9,288.86
Yue (2021) Zhao Qing Gao Yao Bu Dong Chan Quan Di No. 0008549	26 August 2021	Block 1	13,008.94
Yue (2021) Zhao Qing Gao Yao Bu Dong Chan Quan Di No. 0008435	23 August 2021	Block 3	12,930.31
<b>Total:</b>			<b><u>64,207.97</u></b>

6. Pursuant to three Commodity Real Estate Title Certificates, issued by Zhaoqing Natural Resources Bureau, the land use rights of Block 2, Block A and Block B of Phase 2 of the subject development with a total site area of approximately 23,284.6002 sq.m. and the building ownership rights of Blocks 2, Block A and Block B of Phase 2 of the subject development with a total GFA of approximately 19,719.07 sq.m. were legally vested in Zhaoqing Jincheng Real Estate Development Limited. The land use rights were granted for various terms of expiring on 21 December 2074 and 21 December 2044 for residential and commercial uses respectively.

The details of the Commodity Real Estate Title Certificates are summarized below:

Certificate No.	Date of Issue	Portion	GFA (sq.m.)
bdc44128322021500019	18 February 2022	Block 2	12,760.83
bdc44128322021500038	28 February 2022	Block A	3,479.12
bdc44128322021500043	23 February 2022	Block B	<u>3,479.12</u>
<b>Total:</b>			<b><u>19,719.07</u></b>

7. Pursuant to a Construction Land Use Planning Permit, Di Zi Di No. 2010038 (Bu Ban) dated 8 September 2010 and issued by Gaoyao Municipal Planning Authority, the proposed land use of the subject site was approved.
8. Pursuant to 12 Construction Project Planning Permits, issued by Gaoyao Housing and Urban-Rural Development Bureau and Gaoyao Municipal Planning Authority respectively, the proposed development of the subject site was approved.

The details of the Construction Project Planning Permits are summarized below:

<b>Permit No.</b>	<b>Date of Issue</b>	<b>Portion</b>	<b>Development</b>	<b>Proposed GFA (sq.m.)</b>
Jian Zi Di No. 2010387	26 November 2010	Phase 1 — Composite Building	Commercial	1,817.90
Jian Zi Di No. 2010388	26 November 2010	A1-a, A1-b	Residential and Commercial	7,622.80
Jian Zi Di No. 2010385	26 November 2010	A2-a, A2-b	Residential and Commercial	9,792.64
Jian Zi Di No. 2010386	26 November 2010	A3-a, A3-b	Residential and Commercial	5,822.88
Jian Zi Di No. 2010389	26 November 2010	A8-a, A8-b	Residential and Commercial	7,045.76
Jian Zi Di No. 2013258	9 August 2013	Phase 1 — Block 74	Residential and Commercial	13,948.73
Jian Zi Di No. 2013259	9 August 2013	Phase 1 — Block 75	Residential and Commercial	13,854.05
Jian Zi Di No. 2013330	13 September 2013	Phase 2 — Block 76	Residential and Commercial	13,168.28
Jian Zi Di No. 2013331	13 September 2013	Phase 2 — Block 77	Residential and Commercial	12,991.04
Jian Zi Di No. 2013332	13 September 2013	Phase 2 — Block 78	Residential and Commercial	13,070.34
Jian Zi Di No. 2013333	13 September 2013	Phase 2 — Block 79	Residential and Commercial	9,837.95
Zhao Cheng Gui Gao Jian Zi Di No. 2018 138	8 April 2018	Blocks 2 & 3 and Plant Room	Residential and Commercial	6,837.2
<b>Total:</b>				<b><u>115,809.57</u></b>

9. Pursuant to four Construction Project Work Commencement Permits, issued by Gaoyao Housing and Urban-Rural Development Bureau, the commencement of the construction of the subject development was approved.

**APPENDIX II****PROPERTY VALUATION REPORTS**

The details of the Construction Project Work Commencement Permits are summarized below:

<b>Permit No.</b>	<b>Date of Issue</b>	<b>Portion</b>	<b>Development</b>	<b>Proposed GFA (sq.m.)</b>
441221201101070101	7 January 2011	70 Villas, Composite Building	Residential and Commercial	32,101.98
441221201311140101	14 November 2013	Phase 1 — Block 74 & 75	Residential and Commercial	27,810.55
441221201311140102	14 November 2013	Phase 2 — Blocks 76, 77, 78 & 79	Residential and Commercial	49,028.33
441283201807230101	23 July 2018	Phase 2 — Blocks 2 & 3	Residential and Commercial	6,662.20
<b>Total:</b>				<b><u>115,603.06</u></b>

10. Pursuant to five Construction Project Work Completion Certificates, issued by Zhaoqing Gaoyao District Construction Project Completion Acceptance Registration Administrative Group, the completion of construction of A1-a, A1-b, A2-a, A2-b, A3-a, A3-b, A8-a & A8-b, Blocks 74 & 75 and Composite Building of Phase 1 and Blocks 2, 3, 76, 77, 78 & 79 of Phase 2 of the subject development of the subject development was certified.

The details of the Construction Project Work Completion Certificates are summarized below:

<b>Permit No.</b>	<b>Date of Issue</b>	<b>Portion</b>	<b>GFA (sq.m.)</b>
N/A	9 April 2013	A1-a, A1-b, A2-a, A2-b A3-a, A3-b, A8-a & A8-b	30,284.08
N/A	20 July 2017	Blocks 74 & 75	27,810.55
GD413-01	6 July 2018	Composite Building	1,817.90
GD-E1-914	22 November 2019	Blocks 76, 77, 78 & 79	48,743.96
GD-E1-916	20 January 2020	Blocks 2 & 3	6,662.20
<b>Total:</b>			
<b><u>115,318.69</u></b>			

11. Pursuant to seven Pre-sale Permits, issued by Gaoyao Housing and Urban-Rural Development Bureau, the pre-sale of a portion of the subject development was permitted.

The details of the Pre-sale Permits are summarized below:

Permit No.	Date of Issue	Portion	Development	GFA (sq.m.)
2018015	7 February 2018	Block 1	Residential and Commercial	12,748.62
2018024	10 April 2018	Block 2	Residential and Commercial	12,535.76
2018016	7 February 2018	Block 3	Residential and Commercial	12,700.01
2014037	29 September 2014	Block 5	Residential and Commercial	13,358.94
2014038	8 November 2018	Block 6	Residential and Commercial	13,378.22
2018075	19 December 2018	Block A	Residential and Commercial	3,295.69
2018076	19 December 2018	Block B	Residential and Commercial	3,295.69
				<b>Total:</b> <u><b>71,312.93</b></u>

12. According to the information provided, a portion of the subject development had been sold and transferred as at the Valuation Date and this portion has been excluded in our valuation.

13. The general description and market information of the property are summarized below:

Location	: The property is located at the south of Shiji Avenue, Jindu Town, Gaoyao District, Zhaoqing, Guangdong Province, The PRC.
Transportation	: Foshan Shati Airport, Zhaoqing Railway Station and Zhaoqing East Railway Station are located approximately 65.0 kilometres, 13.0 kilometres and 34.5 kilometres away from the property respectively.
Nature of Surrounding Area	: The area is predominately a residential area in Gaoyao District.

14. We have been provided with a PRC legal opinion dated 24 March 2025 regarding the property by Silkroad Anchorite & Sage Law Firm, which contains, *inter alia*, the following:

- (a) Zhaoqing Jincheng Real Estate Development Limited has obtained the state-owned land use rights and building ownership rights of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property;
- (b) Zhaoqing Jincheng Real Estate Development Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights; and
- (c) The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, and are not subject to any dispute or seizure.

15. As advised by the Group, Zhaoqing Jincheng Real Estate Development Limited is an indirectly wholly owned subsidiary of the Company.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 28 February 2025
2	A portion of a mixed-use development known as "Grand Capital" located at Xinwei Middle Street, Wufuwei, Wufu Village, Jing'an Town, Doumen District, Zhuhai, Guangdong Province, The PRC	The property comprises a portion of a mixed-use development erected on a parcel of land with a site area of approximately 46,666.66 sq.m.. As per information provided by the Instructing Party, the property comprises residential units, shops and carparking spaces with a total GFA of approximately 6,515.31 sq.m.. It was completed in various stages between December 2017 and October 2019.	As per our on-site inspection and information provided by the Group, the property is currently vacant and pending for sale.	RMB84,900,000 (RENMINBI EIGHTY FOUR MILLION AND NINE HUNDRED THOUSAND) (HKD90,597,000 (HONG KONG DOLLARS NINETY MILLION FIVE HUNDRED AND NINETY SEVEN THOUSAND))
		The area breakdown of the property is listed as below:		100% Interest Attributable to the Group:
		<b>Portion</b>	<b>GFA (sq.m.)</b>	
		Residential Units (Blk 2 & 3)	301.36	RMB84,900,000 (RENMINBI EIGHTY FOUR MILLION AND NINE HUNDRED THOUSAND) (HKD90,597,000 (HONG KONG DOLLARS NINETY MILLION FIVE HUNDRED AND NINETY SEVEN THOUSAND))
		Shops (Blk 2, 3 & 4)	2,158.54	
		Residential Units (Blk 1 & 7)	3,781.65	
		Shop (Blk 1)	135.78	
		12 Underground Carparking Spaces	<u>137.98</u>	
			<u><b>6,515.31</b></u>	

The land use rights of the property were granted for various terms expiring on 18 April 2063 and 18 April 2043 for residential and commercial uses respectively.

*Notes:*

1. The property was inspected by Simon Lee *Probationer of HKIS* on 24 February 2025.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.

3. Pursuant to a Real Estate Title Certificate, Yue Fang Di Zheng Zi Di No. C6577281 dated 9 October 2008 and issued by the People's Government of Zhuhai, the land use rights of the subject site with a site area of approximately 46,666.66 sq.m. were granted to Zhuhai Tengji Real Estate Limited for various terms expiring on 18 April 2063 and 18 April 2043 for residential uses and commercial uses respectively.
4. Pursuant to three Commodity Real Estate Title Certificates, issued by Zhu Hai Real Estate Registration Center, the land use rights of Blocks 1 to 7 of the subject development with a shared site area of approximately 46,666.66 sq.m. and the building ownership rights of Blocks 1 to 7 of the subject development with a total GFA of approximately 72,206.30 sq.m. were legally vested in Zhuhai Tengji Real Estate Company Limited. The land use rights of Blocks 1 to 7 of the subject development were granted for various terms expiring on 18 April 2063 and 18 April 2043 for residential and commercial uses respectively.

The details of the Commodity Real Estate Title Certificates are summarized below:

Certificate No.	Date of Issue	Portion	GFA (sq.m.)
Zhu Fang Di Chan Quan Shu Zi Di No. 201800102	26 November 2018	Blocks 4 to 6	21,990.93
Zhu Fang Di Chan Quan Shu Zi Di No. 201900101	5 December 2019	Block 2 and 3	25,008.86
Zhu Fang Di Chan Quan Shu Zi Di No. 202100037	31 March 2021	Block 1 and 7	25,206.51
			<b>72,206.30</b>

5. Pursuant to a Construction Land Use Planning Permit, 2007 Yong Di Zi (Dou Men) Di No. 218 dated 28 May 2007 and issued by Zhuhai Planning Bureau, the proposed land use of the subject site was approved.
6. Pursuant to a Construction Project Planning Permit, Jian Zi Di (Dou Men) No. 2010-172 dated 21 December 2010 and issued by Zhuhai Housing and Urban-Rural Development Construction Bureau, the proposed development of the subject site with a proposed GFA of approximately 76,454.87 sq.m. was approved.
7. Pursuant to a Construction Project Work Commencement Permit, 440402201101260101 dated 31 December 2013 and issued by Zhuhai Housing and Urban-Rural Development Construction Bureau, the commencement of the construction of the subject development with a proposed GFA of 76,454.87 sq.m. was approved.
8. Pursuant to three Construction Project Work Completion Certificates, issued by Zhuhai Doumen District Construction Project Completion Acceptance Registration Office, the completion of construction of the subject development was certified.

The details of the Construction Project Work Completion Certificates are summarized below:

Permit No.	Date of Issue	Portion	GFA (sq.m.)
GD41301	6 December 2017	Blocks 4 to 6	21,766.69
GD41301 — 2018-42	12 October 2018	Block 2 and 3	25,008.86
GD41301 — 2019-28	22 October 2019	Block 1 and 7, Basement	29,484.72
			<b>76,260.27</b>

9. Pursuant to three Pre-sale Permits, issued by Zhuhai Doumen District Housing and Urban-Rural Development Construction Bureau, the pre-sale of a portion of the subject development was permitted.

The details of the Pre-sale Permits are summarized below:

Permit No.	Date of Issue	Portion	Development	Proposed GFA (sq.m.)
No. DMS2015009-3	18 October 2018	Block 1 and 7	Residential and Commercial	24,016.33
No. DMS2015009	8 August 2017	Block 4, 5 and 6	Residential and Commercial	21,067.55
No. DMS2015009-2	16 January 2019	Block 2 and 3	Residential and Commercial	23,945.87
				<b><u>69,029.75</u></b>

10. According to the information provided, a portion of the subject development had been sold and transferred as at the Valuation Date and this portion has been excluded in our valuation.

11. The general description and market information of the property are summarized below:

Location	: The property is located at No. 68 Xinwei Middle Street, Wufuwei, Wufu Village, Jing'an Town, Doumen District, Zhuhai, Guangdong Province, The PRC.
Transportation	: Zhuhai Jinwan Airport, Zhuhai North Railway Station and Zhuhai Railway Station are located approximately 33.0 kilometres, 48.0 kilometres and 35.0 kilometres away from the property respectively.
Nature of Surrounding Area	: The subject area is a predominately residential area in Doumen District.

12. We have been provided with a PRC legal opinion dated 24 March 2025 regarding the property by Silkroad Anchorite & Sage Law Firm, which contains, *inter alia*, the following:

- (a) Zhuhai Tengji Real Estate Company Limited has obtained the state-owned land use rights and building ownership rights of the property in accordance with laws, and is the legal holder of the state-owned land use rights and building ownership rights of the property;
- (b) Zhuhai Tengji Real Estate Company Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights; and
- (c) The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, and are not subject to any dispute or seizure.

13. As advised by the Group, Zhuhai Tengji Real Estate Company Limited is an indirectly wholly owned subsidiary of the Company.

**1. RESPONSIBILITY STATEMENTS**

The information contained in this Scheme Document relating to the Company has been supplied by the Company. The issue of this Scheme Document has been approved by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The information contained in this Scheme Document relating to the Offeror has been supplied by the Offeror. The issue of this Scheme Document has been approved by the directors of the Offeror, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (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 Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

**2. SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$500,000,000 divided into 5,000,000,000 Shares;
- (b) the issued share capital of the Company was HK\$28,330,863 divided into 283,308,635 Shares;
- (c) no Shares had been issued since 1 January 2025, being the day after the end of the last financial year of the Company, up to the Latest Practicable Date;
- (d) all of the Shares ranked *pari passu* in all respects as regards rights to capital, dividends and voting; and
- (e) there were no other options, derivatives, warrants or other securities convertible or exchangeable into Shares which were issued by the Company.

**3. MARKET PRICES OF THE SHARES**

The table below sets out the closing price of the Shares as quoted on the Stock Exchange on (i) the last trading day of each of the calendar months during the Relevant Period; (ii) the Last Trading Date; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price for each Share (HK\$)</b>
30 September 2024	5.65
31 October 2024	5.34
29 November 2024	5.41
31 December 2024	5.42
28 January 2025	5.31
14 February 2025 (Last Trading Date)	5.5
28 February 2025	Trading suspended
31 March 2025	7.7
25 April 2025 (Latest Practicable Date)	8.04

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$8.07 on 15 April 2025 and 23 April 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$5.22 on 12 February 2025.

**4. DISCLOSURE OF INTERESTS****4.1 Directors' interests and short positions in the Shares and underlying Shares**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares and underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which the Directors and chief executives of the Company were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise

notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules (the “**Model Code**”) or required to be disclosed under the Takeovers Code were as follows:

**(a) Directors’ Interests in the Company**

Name of Director	Capacity	Number of Ordinary Shares Interested	Approximate Percentage of the Company’s Total Issued Shares
Madam Foo	Beneficial owner and Beneficiary of a trust	212,401,630 <sup>(Note 1)</sup>	74.97%
Chan Wai Ling	Beneficiary of a trust	212,305,028 <sup>(Note 2)</sup>	74.94%
Chan Hing Tat	Beneficiary of a trust	212,305,028 <sup>(Note 3)</sup>	74.94%

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

*Note 2:* Ms. Chan Wai Ling was deemed to be interested in 212,305,028 shares of the Company. Ms. Chan is a beneficiary of the Trust.

*Note 3:* Mr. Chan Hing Tat was deemed to be interested in 212,305,028 shares of the Company. Mr. Chan is a beneficiary of the Trust.

**(b) Directors’ Interests in Associated Corporations**

Name of Director	Name of Associated Corporation	Capacity	Number and Class of Shares	Percentage of Shareholding
Madam Foo	Ko Bee	Beneficiary of a trust	1 ordinary share	100% <sup>(Note 4)</sup>
Chan Wai Ling	Ko Bee	Beneficiary of a trust	1 ordinary share	100% <sup>(Note 4)</sup>
Chan Hing Tat	Ko Bee	Beneficiary of a trust	1 ordinary share	100% <sup>(Note 4)</sup>
Madam Foo	Full Match	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <sup>(Note 4)</sup>
Chan Wai Ling	Full Match	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <sup>(Note 4)</sup>
Chan Hing Tat	Full Match	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <sup>(Note 4)</sup>

*Note 4:* The entire issued share capital of Ko Bee is held by the Trust. The entire issued share capital of Full Match is held by Ko Bee. Madam Foo, Ms. Chan Wai Ling and Mr. Chan Hing Tat are the beneficiaries of the Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their associate(s) had an interest or short position in the Shares or underlying Shares which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or required to be disclosed under the Takeovers Code.

#### **4.2 Interests and short positions of substantial Shareholders in the Shares and underlying Shares**

As at the Latest Practicable Date, Shareholders (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who had interests and short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Number of Shares	Approximate Percentage of Shareholding
Century Pine (PTC) Limited	Trustee of a trust	212,305,028 <sup>(Notes 1&amp;5)</sup>	74.94%
Ko Bee	Beneficial owner and Interest of controlled corporation	212,305,028 <sup>(Notes 1&amp;5)</sup>	74.94%

*Note 5:* Ko Bee is ultimately held under the Trust with Century Pine (PTC) Limited, which incorporated in the British Virgin Islands with limited liability, as trustee for Madam Foo and her family members (including Ms. Chan Wai Ling and Mr. Chan Hing Tat, both executive Directors of the Company).

Save as disclosed above, as at the Latest Practicable Date, there was no person (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who (i) had an interest or short position in the Shares and underlying Shares which (a) would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO; or (b) were required, pursuant to Section 336 of the SFO, to be entered in the register referred therein; or (ii) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

As at the Latest Practicable Date:

- (a) no subsidiary of the Company, pension fund of the Company or of any subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
- (c) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company;
- (d) none of the Company and the Directors had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (e) the Shares held by Madam Foo (being an executive Director), Ko Bee (being 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 (being the Deputy Chairman and an executive Director), Mr. Chan Hing Tat (being the Chairman and an executive Director) and Ms. Winnie Chan) and Full Match (being wholly-owned by Ko Bee), do not form part of the Scheme Shares. They will not be entitled to vote at the Court Meeting. Each of the Offeror and the relevant Offeror Concert Parties has provided an undertaking to the Court not to attend and vote at the Court Meeting; and
- (f) 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 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. 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) to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend.

#### **4.3 Dealings in the relevant securities of the Company**

- (a) During the Relevant Period, none of the Offeror, the directors of the Offeror, or any member of the Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares.
- (b) During the Relevant Period, none of the Directors had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.
- (c) During the period from the Announcement Date and up to the Latest Practicable Date:
  - (i) no subsidiaries of the Company, pension funds of any member of the Group or any advisers to the Company or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate (but excluding exempt principal traders and exempt fund managers) had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares;
  - (ii) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares; and
  - (iii) no fund managers connected with the Company had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

#### **4.4 Interests and dealings in the securities of the Offeror**

Save that the Offeror is wholly owned by Ko Bee (in turn being 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 (being the Deputy Chairman and an executive director of the Company), Mr. Chan Hing Tat (being the Chairman and an executive director of the Company) and Ms. Winnie Chan), none of the Directors or the Company was interested in any the shares or any convertible securities, warrants, options or derivatives in respect of the shares in the Offeror and neither the Directors nor the Company had dealt for value in any such shares, convertible securities, warrants, options or derivatives during the Relevant Period.

#### **4.5 Other arrangements in respect of the Proposal**

As at the Latest Practicable Date:

- (a) the Offeror and any member of the Offeror Concert Parties had not received any irrevocable commitment from any Shareholders in respect of voting at the Court Meeting and/or the SGM;
- (b) no benefit (other than statutory compensation) was or would be given to any Director as compensation for his loss of office or otherwise in connection with the Proposal;
- (c) there was no agreement or arrangement between any Directors and any other person which is conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (d) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any member of the Offeror Concert Parties on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or was dependent upon the Proposal;
- (e) there was no agreement or arrangement to which the Offeror is a party which relate to circumstances in which it may or may not invoke or seek to invoke a condition to the Scheme;
- (f) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Shares which might be material to the Proposal;
- (g) there were no arrangements of the kind referred to Note 8 to Rule 22 of the Takeovers Code between the Offeror or any member of the Offeror Concert Parties and any other person;

- (h) the Offeror and any member of the Offeror Concert Parties had not borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeover Code) of the Company;
- (i) no Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares was managed on a discretionary basis by any fund managers connected with the Offeror;
- (j) there was no agreement, arrangement or understanding between the Offeror and any member of the Offeror Concert Parties and any other person in relation to the transfer, charge or pledge of the Shares acquired pursuant to the Proposal;
- (k) no material contracts have been entered into by the Offeror in which any Director has a material personal interest;
- (l) other than the Cancellation Price, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any member of the Offeror Concert Parties to the Scheme Shareholders or persons acting in concert with the Scheme Shareholders in relation to the Scheme Shares;
- (m) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and any member of the Offeror Concert Parties on one hand and the Scheme Shareholders and any person acting in concert with the Scheme Shareholders on the other hand; and
- (n) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder and (A) the Offeror or any member of the Offeror Concert Parties or (B) the Company, its subsidiaries or associated companies.

## **5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which are in force and which: (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months preceding the Announcement Date; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

## **6. MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any other member of the Group.

## 7. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group entered into by any member of the Group within two years preceding the Announcement Date and up to and including the Latest Practicable Date:

- (a) a sale and purchase agreement (the “**2022 SPA**”) dated 9 August 2022 and entered into among Wonder Earning Limited, an indirect wholly-owned subsidiary of the Company as seller (the “**Seller**”), United Endeavors Limited as purchaser (the “**Purchaser**”), Tang Lung Investment Properties Limited, an indirect wholly-owned subsidiary of the Company as seller guarantor (the “**Seller Guarantor**”) and Tsui Yee, the ultimate beneficial owner of the Purchaser as purchaser guarantor (the “**Purchaser Guarantor**”) in relation to the disposal of the entire issued share capital of Linking Smart Limited (the “**Target Company**”) and the assignment of the entire shareholders loan owing by the Target Company to the Seller (i.e. the Disposal), at a consideration of HK\$3,208,815,000 (subject to adjustments), details of which are set out in the announcements of the Company dated 11 August 2022 and 20 October 2022, respectively, and the circular of the Company dated 23 September 2022;
- (b) a supplemental agreement (the “**Supplemental Agreement**”) dated 19 January 2023 in relation to the 2022 SPA entered into among the Seller, the Purchaser, the Seller Guarantor and the Purchaser Guarantor, whereby, among other things, (i) the parties agreed to extend the date of the Purchaser’s payment of further deposit in the sum of HK\$320,881,500 (the “**Further Deposit**”) under the 2022 SPA from 9 February 2023 to 9 August 2023; and (ii) the Purchaser agreed to pay a non-refundable amount of HK\$11,200,083 (being the interest agreed to be payable on the Further Deposit for the period from 9 February 2023 to 9 August 2023 (both day inclusive)) to the Seller on or before 8 February 2023, details of which are set out in the announcements of the Company dated 19 January 2023 and 10 August 2023, respectively; and
- (c) a settlement agreement (the “**Settlement Agreement**”) dated 13 September 2023 in relation to the 2022 SPA and the Supplemental Agreement entered into among the Seller, the Seller Guarantor, the Purchaser and the Purchaser Guarantor, pursuant to which, among other matters, (i) the parties agreed that the initial deposit in the amount of HK\$320,881,500 paid by the Purchaser upon signing of the 2022 SPA shall be forfeited by the Seller; (ii) in addition to the forfeiture of the initial deposit, the Purchaser shall pay to the Group a non-refundable settlement sum in the amount of HK\$32,000,000 (the “**Settlement Sum**”) upon the signing of the Settlement Agreement; and (iii) in consideration of the forfeiture of the initial deposit by the Seller and the payment of the Settlement Sum by the Purchaser, it is agreed by the parties that the 2022 SPA shall be terminated and shall cease to have any effect, details of which are set out in the announcement of the Company dated 13 September 2023.

**8. EXPERTS**

The following are the qualifications of each of the experts who has given opinions or advice which are contained in this Scheme Document:

<b>Name</b>	<b>Qualifications</b>
Anglo Chinese	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
Altus Capital	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Cushman and Wakefield Limited	an independent professional property valuer for property interests of the Group in Hong Kong
Vincorn Consulting and Appraisal Limited	an independent professional property valuer for property interests of the Group in PRC

**9. CONSENTS**

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of the opinions and/or letters and/or the references to its name and/or opinions and/or letters in the form and context in which they respectively appear.

**10. MISCELLANEOUS**

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Appleby Global Corporate Services (Bermuda) Limited, whose registered office is at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda.
- (d) The branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, whose registered office is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (e) The principal members of the parties acting in concert with the Offeror are (1) Madam Foo, (2) Ko Bee, (3) Full Match, (4) Century Pine (PTC) Limited, the trustee of Madam Foo's family trust, (5) Ms. Chan Wai Ling, daughter of Madam Foo (6) Mr. Chan Hing Tat, son of Madam Foo and (7) Ms. Winnie Chan, daughter of Madam Foo.
- (f) Each of the Offeror and Full Match is wholly owned by Ko Bee, 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.
- (g) The directors of the Offeror are Madam Foo, Mr. Chan Hing Tat and Mr. Tan Benny Min Tack. The directors of Ko Bee are Madam Foo, Mr. Chan Hing Tat and Mr. Tan Benny Min Tack. The director of Full Match is Madam Foo.
- (h) The registered office of the Offeror is situated at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and the correspondence address of the Offeror and each of the Offeror Concert Parties (including Madam Foo, Ko Bee, Full Match, Century Pine (PTC) Limited, Ms. Chan Wai Ling, Mr. Chan Hing Tat and Ms. Winnie Chan) is 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong.
- (i) The principal place of business of Anglo Chinese, the financial adviser to the Offeror, is at Suite 4001, 40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (j) The principal place of business of Altus Capital, the independent financial adviser to the Independent Board Committee, is at 21 Wing Wo Street, Central, Hong Kong.

## **11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available for inspection on the website of the Company at [www.soundwill.com.hk](http://www.soundwill.com.hk), and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) during the period from the date of the Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the memorandum and articles of association of the Offeror;
- (b) the memorandum of association and the amended and restated bye-laws of the Company;
- (c) the annual reports of the Company for the years ended 31 March 2022, 2023 and 2024;
- (d) the letter from the Board, the text of which is set out in Part III of this Scheme Document;

- (e) the letter from the Independent Board Committee, the text of which is set out in Part IV of this Scheme Document;
- (f) the letter from Altus Capital, the text of which is set out in Part V of this Scheme Document;
- (g) the property valuation reports from Cushman and Wakefield Limited and Vincorn Consulting and Appraisal Limited, the texts of which are set out in Appendix II to this Scheme Document;
- (h) the contracts referred to in the section headed “7. MATERIAL CONTRACTS” in this Appendix III to this Scheme Document;
- (i) the written consents referred to in the section headed “9. Consents” in this Appendix III to this Scheme Document; and
- (j) this Scheme Document.

**IN THE SUPREME COURT OF BERMUDA****CIVIL JURISDICTION****COMMERCIAL COURT****2025: No. 80****IN THE MATTER OF SOUNDWILL HOLDINGS LIMITED****AND****IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981**

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**SCHEME OF ARRANGEMENT****BETWEEN****SOUNDWILL HOLDINGS LIMITED****AND****THE SCHEME SHAREHOLDERS****(as defined below)**

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(A) In this scheme of arrangement, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day on which the Stock Exchange is open for the transaction of business
<b>“BVI”</b>	the British Virgin Islands
<b>“Cancellation Price”</b>	a price of HK\$7.5 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme
<b>“Companies Act”</b>	the Companies Act 1981 of Bermuda, as amended from time to time
<b>“Company”</b>	Soundwill Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 878)

<b>“Condition(s)”</b>	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “3. CONDITIONS OF THE PROPOSAL AND THE SCHEME” in the Explanatory Statement in Part VI of the Scheme Document
<b>“Court”</b>	the Supreme Court of Bermuda
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders convened at the directions of the Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof
<b>“Explanatory Statement”</b>	the explanatory statement in relation to the Scheme as set out in Part VI of the Scheme Document issued in compliance with section 100 of the Companies Act
<b>“Full Match”</b>	Full Match Limited, a company incorporated in BVI with limited liability and wholly-owned by Ko Bee
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Ko Bee”</b>	Ko Bee Limited, a company incorporated in 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
<b>“Latest Practicable Date”</b>	25 April 2025, being the latest practicable date prior to the despatch of the Scheme Document for the purpose of ascertaining certain information contained in the Scheme Document

<b>“Long Stop Date”</b>	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
<b>“Madam Foo”</b>	Madam Foo Kam Chu Grace
<b>“Offeror”</b>	Earning Ease Limited, a company incorporated in BVI with limited liability and wholly-owned by Ko Bee
<b>“Offeror Concert Party(ies)”</b>	the person(s) 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
<b>“Proposal”</b>	the proposal for, among other things, the privatisation of the Company by the Offeror by way of the Scheme on the terms and conditions as set out in the Scheme Document
<b>“Record Date”</b>	2 June 2025, or such other date as shall have been announced to the Shareholders, being the record date for the purposes of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
<b>“Registrar of Companies”</b>	the Registrar of Companies in Bermuda
<b>“Scheme”</b>	the scheme of arrangement between the Company and the Scheme Shareholders under section 99 of the Companies Act with or subject to any modification, addition or condition which may be approved or imposed by the Court
<b>“Scheme Document”</b>	the composite scheme document dated 30 April 2025 containing, among other things, further details of the Proposal including the Scheme
<b>“Scheme Share(s)”</b>	all Share(s) 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
<b>“Scheme Shareholder(s)”</b>	the registered holder(s) of the Scheme Share(s)

<b>“SGM”</b>	the special general meeting of the Company convened for the purposes of considering and, if thought fit, approving all resolutions necessary for the implementation of the Proposal, or any adjournment thereof
<b>“Share(s)”</b>	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
<b>“Shareholder(s)”</b>	the registered holder(s) of the Shares
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers

- (B) The Company is an exempted company with limited liability incorporated in Bermuda on 8 April 1994. As at the Latest Practicable Date, the authorised share capital of the Company was HK\$500,000,000 divided into 5,000,000,000 Shares, of which 283,308,635 Shares were issued fully paid or credited as fully paid.
- (C) The Offeror has proposed the privatisation of the Company by way of the Scheme. The primary purpose of the Scheme is to cancel all of the Scheme Shares and to issue new Shares to the Offeror such that 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.
- (D) Each of the Offeror and the Offeror Concert Parties who hold Shares in the Company have provided an undertaking to the Court not to attend nor vote at the Court Meeting. Each of the Offeror and the Offeror Concert Parties who hold Shares in the Company has also agreed to appear by Conyers Dill & Pearman Limited before the Court and have undertaken to the Court to be bound by this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to this Scheme.

**THE SCHEME****PART I****CANCELLATION OF THE SCHEME SHARES**

1. On the Effective Date:
  - (a) all of the Scheme Shares will be cancelled; and
  - (b) contemporaneously with the cancellation of the Scheme Shares, the Company will issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled such that the issued share capital of the Company will be maintained at the amount in issue immediately prior to the cancellation of the Scheme Shares. The credit created in the books of accounts of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror, credited as fully paid.

**PART II****CONSIDERATION FOR CANCELLATION OF THE SCHEME SHARES**

2. In consideration of the cancellation of all Scheme Shares, each Scheme Shareholder shall be entitled to receive the Cancellation Price.

**PART III****GENERAL**

3. Cheques in respect of the Cancellation Price shall be sent to Scheme Shareholders whose names appear in the register of members of the Company as at the Record Date as soon as possible but in any event within seven Business Days following the Effective Date.
4. Cheques for payment of the Cancellation Price will be despatched by ordinary post in pre-paid envelopes addressed to the Scheme Shareholders at their respective registered addresses as appearing on the register of members of the Company as at the Record Date or, in the case of joint holders, at the registered address appearing in the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding. All such cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Anglo Chinese Corporate Finance Limited, Altus Capital Limited, the share registrar of the Company or their respective directors, officers employees, agents, affiliates, associates or advisers or any other persons involved in the Proposal or the Scheme shall be responsible for any loss or delay in despatch.

5. On or after the day being six calendar months after the date of posting the cheques for the Cancellation Price, the Offeror shall have the right to cancel or countermand payment of any cheque which has not been cashed or which has been returned uncashed and shall place all monies represented thereby in a deposit or custodian account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror.
6. The Offeror shall hold monies represented by uncashed cheques until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who satisfy the Offeror that they are respectively entitled thereto and the cheques of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
7. On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit or custodian account in its name, including accrued interest subject to any deduction required by law and expenses incurred. This paragraph 7 shall take effect subject to any prohibition or condition imposed by law.
8. Share certificates relating to the Scheme Shares shall cease to be valid for any purpose on the Effective Date.
9. The Scheme shall become effective as soon as a copy of the order of the Court sanctioning the Scheme under section 99 of the Companies Act has been delivered to the Registrar of Companies for registration.
10. The Company and the Offeror may jointly consent for and on behalf of all Scheme Shareholders to any modification of or addition to the Scheme or to any condition which the Court may see fit to approve or impose.
11. Unless the Scheme becomes effective on or before the Long Stop Date, the Scheme shall lapse.
12. Subject to the requirements of the Takeovers Code, the parties shall bear their own costs, charges and expenses of and incidental to the Scheme.

Dated: 30 April 2025

**IN THE SUPREME COURT OF BERMUDA****CIVIL JURISDICTION****COMMERCIAL COURT****2025: No. 80****IN THE MATTER OF SOUNDWILL HOLDINGS LIMITED****AND****IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981**

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**NOTICE OF COURT MEETING**

**NOTICE IS HEREBY GIVEN** that, by an order (the “**Order**”) dated 17 April 2025 made in the above matter, the Supreme Court of Bermuda (the “**Court**”) has directed a meeting (the “**Court Meeting**”) of the Scheme Shareholders (as defined in the Scheme Document hereinafter mentioned) to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made between Soundwill Holdings Limited (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong at 11:00 a.m. on Friday, 23 May 2025 (Hong Kong time) at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of an explanatory statement required by section 100 of the Companies Act 1981 explaining, among other things, the effect of the Scheme are incorporated in the composite scheme document dated 30 April 2025 (the “**Scheme Document**”) of which this notice forms part. A copy of the Scheme Document may also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, during usual business hours.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, to attend, speak and vote in their stead. A **pink** form of proxy for use at the Court Meeting (or any adjournment thereof) is enclosed with the Scheme Document. The completion and return of the **pink** form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting, or any adjournment thereof, if he/she so wishes and in such event, the **pink** form of proxy will be revoked by operation of law.

In the case of joint holders of a Scheme Share (as defined in the Scheme Document), any one of such joint holders may vote at the Court Meeting, either in person or by proxy, in respect of such Scheme Share as if he/she was solely entitled thereto. However, if more than one of such joint holders is present at the Court Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand in the register of members of the Company in respect of such joint holding.

In the case of a Scheme Shareholder which is a corporation, the Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the Court Meeting and exercise the same powers on behalf of the corporate Scheme Shareholder as if the corporate Scheme Shareholder was an individual Scheme Shareholder of the Company.

It is requested that the **pink** form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, be deposited at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 11:00 a.m. (Hong Kong time) on Wednesday, 21 May 2025, but if the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting before the taking of the poll and the chairman of the Court Meeting shall have absolute discretion as to whether or not to accept it.

By the Order, the Court has appointed Mr. Chan Kai Nang, an independent non-executive director of the Company, or failing whom, any other independent non-executive director of the Company or any officer of the Company as at the date of the Court Meeting, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the proceedings of and voting at the Court Meeting to the Court.

Dated: 30 April 2025

By order of the Court  
**Conyers Dill & Pearman Limited**  
Richmond House  
12 Par la Ville Road  
Hamilton HM08  
Bermuda  
Attorneys for the Company



## SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司 \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Soundwill Holdings Limited (the “Company”) will be held at Room A, 16/F, Soundwill Plaza II — Midtown, No. 1 Tang Lung Street, Causeway Bay, Hong Kong on Friday, 23 May 2025 at 11:30 a.m. (Hong Kong time) or immediately after the conclusion or adjournment of the Court Meeting (as defined in the Scheme Document hereinafter mentioned) for the purposes of considering and, if thought fit, passing with or without modification, the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meaning ascribed to them in the composite scheme document of the Company dated 30 April 2025 (the “Scheme Document”) of which this notice forms part.

#### SPECIAL RESOLUTION

1. “**THAT** for the purposes of giving effect to the Scheme between the Company and the Scheme Shareholders as set out in the Scheme Document and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting:
  - (a) on the Effective Date, any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares be and is hereby approved;
  - (b) subject to and contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained by the allotment and issue to the Offeror of such number of new shares of the Company, 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 shall be applied in paying up in full the new shares of the Company so allotted and issued to the Offeror;

\* For identification purpose only

- (c) subject to the Scheme taking effect, the withdrawal of listing of the shares of the Company on The Stock Exchange of Hong Kong Limited be and is hereby approved, and any one of the Directors be and is hereby authorised to make application to The Stock Exchange of Hong Kong Limited in respect of such withdrawal; and
- (d) any one of the Directors be and is hereby authorised to do all such acts and things as considered by him/her to be necessary or desirable in connection with the implementation of the Proposal, including without limitation, the giving of consent to any modification of, or addition to, the Scheme, which the Court may see fit to impose and to do all other acts and things as considered by him/her to be necessary or desirable in connection with the Proposal or in order to give effect to the Proposal.”

### **ORDINARY RESOLUTION**

2. “**THAT** conditional upon the passing of special resolution 1 above:

- (a) subject to and conditional upon the Scheme becoming binding and effective in accordance with its terms and conditions, a special dividend of HK\$1.0 per share in the Company (the “**Special Dividend**”) be and is hereby declared payable to the shareholders of the Company whose name appear on the register of members of the Company as at the Record Date on the terms as contained in the Scheme Document; and
- (b) any one of the Directors be and is hereby authorised to do all such acts and things as considered by him/her to be necessary, appropriate, desirable or expedient to give effect to or in connection with the payment of the Special Dividend.”

By order of the Board  
**SOUNDWILL HOLDINGS LIMITED**  
**CHAN Hing Tat**  
*Chairman*

Hong Kong, 30 April 2025

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

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

**Notes:**

1. For the purpose of determining the entitlements of the Shareholders to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025 (both days inclusive) and, during such period, no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the SGM, all the transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by no later than 4:30 p.m. on Monday, 19 May 2025.
2. Any member entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her and vote on his/her behalf at the SGM. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares of the Company in respect of which each such proxy is appointed.
3. In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the SGM either in person or by proxy, in respect of such share of the Company as if he/she was solely entitled thereto, but if more than one of such joint holders is present at the SGM in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holding.
5. The **white** form of proxy for use in connection with the SGM is enclosed.
6. References to time and dates in this notice are to Hong Kong time and dates.
7. As at the date of this notice, the board of directors of the Company comprises (i) Executive Directors: FOO Kam Chu Grace, CHAN Wai Ling, CHAN Hing Tat and TSE Wai Hang; and (ii) Independent Non-Executive Directors: CHAN Kai Nang, PAO Ping Wing and YOUNG Chun Man, Kenneth.

## Soundwill Holdings Limited (878.HK)

### Investor Presentation - Proposed Privatisation

Scheme Shareholders are encouraged to read this material with the scheme document issued by the Company dated 30 April 2025 in full for further details. Unless otherwise defined herein, capitalised terms used in this document shall have the same meanings as those defined in the scheme document.



#### For every Scheme Share cancelled.....Total Price of HK\$8.50\*

\*Comprising of a Cancellation Price of HK\$7.50 and a Special Dividend of HK\$1.00. The Special Dividend is subject to the passing of ordinary resolution to approve the Special Dividend at the SGM and the Scheme becoming effective. Ko Bee, who owns approximately 74.10% of the Company, has undertaken to vote in favour of the ordinary resolution at the SGM to approve the Special Dividend and hence the Special Dividend will be paid if the Scheme becomes effective.

The Proposal allows Scheme Shareholders to evaluate whether to realise immediate value through the offered premium, or to align with the Group as it embarks on a new cycle of long-term investment. It is important to acknowledge that while these initiatives are positioned for long term growth, the expected returns may be less compelling in the current interest rate environment. 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.

#### Illiquid market leading challenges in asset realisation

##### ◆ Challenging outlook of the Group

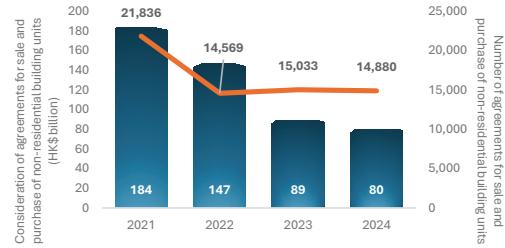
The **deteriorating property markets** have made it difficult for the Group to **realise its asset value**, limiting opportunities for mid-project sales, financing, or pre-sales of unit. These trends would affect its financial performance and business development going forward.

In 2022, the Group attempted to **sell Haven Court** in bulk but the **buyer defaulted**. Subsequently in 2024, a compulsory sale was launched, but no one made a bid at the minimum price set by the Lands Tribunal.

The **construction costs of development projects** in the pipeline are expected to **exceed HK\$2.2 billion**, and the development cycle is likely to be longer than the Group has achieved in the past. This **extended development cycle** for the property development projects could be expected to **reduce profitability**.

##### ◆ Declining sales of non-residential units

Number and consideration of agreements for sale and purchase of non-residential building units



**The number of sales and consideration decreased by approximately 32% and 57% from 2021 to 2024 respectively.** Although the decrease in the number of sales stabilised in the recent two years, the consideration continued to drop by about 10%.

#### Declining property leasing revenue

##### ◆ Group's rental income

Property leasing revenue against market trend



Source: Annual Reports of the Company

The Group's primary revenue segment, **rental income**, has been **declining** from FY2020 to FY2024, which is generally in line with long-term market conditions.

#### Difficulty in maintaining dividend payout

It is likely that the cash inflows may weaken, and thus it may be **challenging for the Group to maintain the rate of cash dividend distribution in the next few years**.

#### Rising capital expenditure

##### ◆ Challenges in profitability

Civil Engineering Works Index and Consumer Price Index



Source: Civil Engineering and Development Department and Census and Statistics Department

The inflation, rising labour costs and building materials could potentially further push up development costs from the projects, thus **potentially reducing the immediate return** to its shareholders.

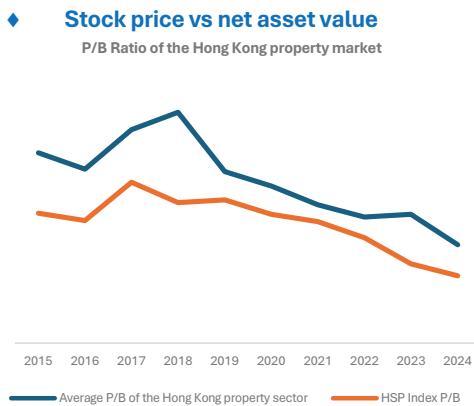
## Soundwill Holdings Limited (878.HK)

### Investor Presentation - Proposed Privatisation



Hong Kong and Chinese property developers have been adversely impacted by challenging market conditions. The declining price-to-book ratios (the “P/B Ratio”) of the property sector underscore the financial strain experienced across the industry, and the persistent downward trend reflects a decoupling between stock market valuation and the valuation of net assets.

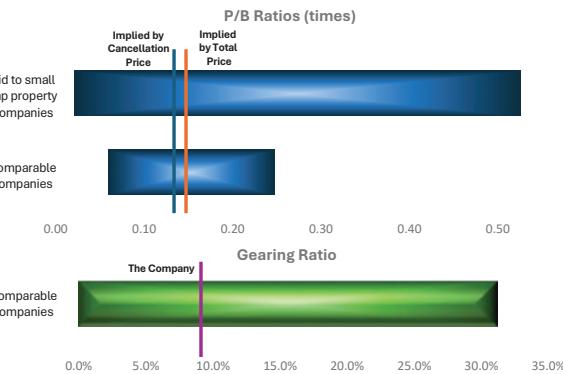
#### Net asset value decoupling from stock price



Over the past ten years, the average P/B Ratios of the property sector had **dropped by around 48%** from the end of 2015 to the end of 2024, showing a **decoupling between stock market valuation and the valuation of net assets**.

#### P/B Ratio and Gearing Comparisons

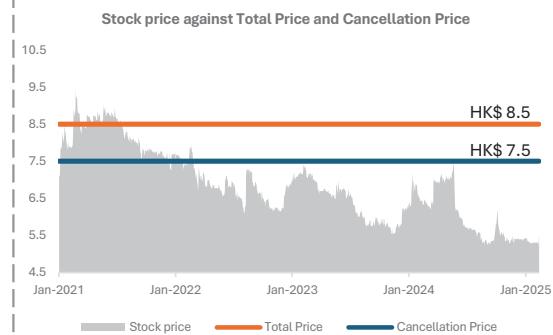
◆ **Comparable to the market**



The Company's P/B Ratio implied by the Cancellation Price and the Total Price were approximately **0.13 times and 0.15 times** respectively, falling **within the range** of mid to small-cap Hong Kong property comparable companies, which range from 0.06 to 0.25 times.

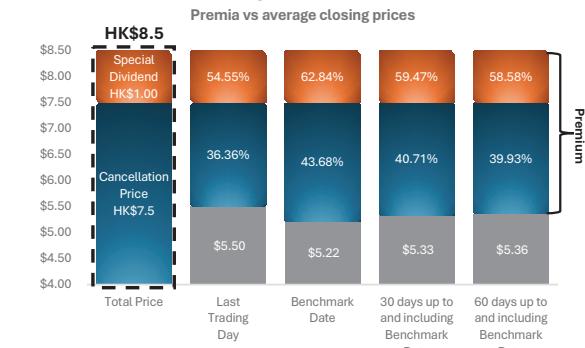
#### Attractive opportunity to fully monetise investments

◆ **Protracted weakness in Share price**



The Share price has experienced a downward trend over the past four years. The Total Price of HK\$8.5 and Cancellation Price of HK\$7.5 represent the **highest price since 19 July 2021 and 2 March 2022**, respectively.

◆ **Substantial premium**



The Total Price represents a **54.55% premium** to the Share price as at Last Trading Day. Also, the **average daily trading volume** over the past three years is around **0.015% of its issued Shares**. Scheme Shareholders may find it difficult to monetise their Shares in the absence of the Scheme.

#### Low likelihood of an alternative offer

There have never been any other significant investors in the Group apart from the Offeror and the Offeror Concert Parties, with Madam Foo being the founder of the Group, have collectively owned almost 70% or more of the Company since 2005.



### **Disclaimer**

Reference is made to the scheme document jointly issued by Earning Ease Limited (the “Offeror”) and Soundwill Holdings Limited (the “Company”) under Rule 3.5 of the Takeovers Code in relation to the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Company Act 1981 of Bermuda, as amended from time to time (the “Scheme Document”). This document (the “Document”) contains certain details of the proposed privatisation as set out in the Scheme Document. Shareholders and other investors of the Company are recommended to read the Scheme Document entirely for additional information regarding the proposed privatisation. The Scheme Document is available on the website of the Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)). Unless otherwise specified, terms used in the Document have the same meaning as those defined in the Scheme Document.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Scheme Document (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Scheme Document (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 the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in the Scheme Document (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Scheme Document (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 the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

### **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 Document 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 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. Details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

### **NOTICE TO U.S. INVESTORS**

This Document is neither an offer of securities for sale nor a solicitation of an offer to buy securities in the United States. 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.