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## **SOUNDWILL HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

### **Announcement**

Reference is made to the announcement dated 28 February, 2002 of Soundwill Holdings Limited (the “Company”). The directors announce that the share subscription agreement as mentioned in the said announcement in relation to a wholly owned subsidiary of the Company, Super Keep Investment Limited for the subscription of the shares of and granting of a loan to Super Keep Investment Limited has been cancelled on 19 February, 2003 by consent of the parties thereto.

Reference is made to the announcement dated 28 February, 2002 and the circular dated 21 March, 2002 of Soundwill Holdings Limited (the “Company”) regarding (i) the share subscription agreement dated 28 February, 2002 (the “Well Pacific Agreement”) made by Soundwill (BVI) Limited (a wholly owned subsidiary of the Company), independent investors (the “Well Pacific Investors”) and Well Pacific Development Limited (“Well Pacific”), then a wholly owned subsidiary of the Company for the capital re-organisation of Well Pacific; and (ii) the share subscription agreement dated 28 February, 2002 (the “Super Keep Agreement”) made by Soundwill (BVI) Limited, one of the Well Pacific Investors (the “Investor”) and Super Keep Investment Limited (“Super Keep”), a wholly owned subsidiary of the Company. Terms used in this announcement shall unless otherwise herein defined have the same meanings prescribed in the announcement dated 28 February, 2002.

The Well Pacific Agreement and the Super Keep Agreement constituted a major transaction for the Company. The former was completed on 17 April, 2002. The consideration of HK\$300,000,000.00 for the Well Pacific Agreement has been received by the Group and the Company, save for the 10,000 non-voting deferred shares, do not hold any interest in Well Pacific since then.

The directors of the Company (the “Directors”) announce that the Super Keep Agreement has been cancelled on 19 February, 2003 by consent of the parties thereto.

According to the Super Keep Agreement, the Investor shall subscribe for 9,998 new ordinary shares at par value of HK\$1.00 each of Super Keep being 50% of the enlarged issued ordinary shares of Super Keep. The consideration for the Super Keep Agreement is HK\$10,000,000.00 payable in cash by the Investor upon completion which is scheduled for 27 August, 2003. The consideration of HK\$10,000,000.00 represents 2.7% of the net tangible asset value of the Group as at 30 June, 2002 according to the latest unaudited published accounts of the Company. Pursuant to the Super Keep Agreement, the Investor shall after completion advance an interest bearing loan of HK\$50,000,000.00 to Super Keep. The loan was to be repaid out of the proceeds from the Development.

The principal business of Super Keep is to develop certain properties (the “Property”) owned by Super Keep at Yuen Long, New Territories (the “Development”). The original intended use of the proceeds of HK\$10,000,000.00 and loan proceeds of HK\$50,000,000.00 is for the Development.

With the steady recovery of the property market, the value of the Property and, hence Super Keep is enhanced since the signing of the Super Keep Agreement and the Directors consider it is in the interest of the Company to re-assess the investment in Super Keep. Cancellation of the Super Keep Agreement would enable the Company to retain 100% interest in Super Keep and thus to maintain flexibility which might include but not limited to proceed with the Development or the re-sale of the same. There has not been any concrete plan as to the use of the Property. Should the Company finally decides to proceed with the Development, with the reduction of the market interest rate and in view of the value of the Property, the Directors do not foresee a problem for the Company to obtain sufficient finance from external borrowings for the Development with better terms than those of the Super Keep Agreement. Therefore, the directors are of the view that cancellation of the Super Keep Agreement is beneficial to and would not have material impact on the Company and is in the best interest of the Company and its shareholders.

Each party of the Super Keep Agreement shall have no claim against each and another for and on account of the Super Keep Agreement or for or by reason of any matter or thing relating thereto.

By Order of the Board  
**Foo Kam Chu, Grace**  
*Chairman*

Hong Kong, 21 February, 2003

*Please also refer to the published version of this announcement in the (China Daily)*