
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, 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 circular to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**SOUNDWILL HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

**MAJOR TRANSACTION
DISPOSAL OF PROPERTIES**

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Agreement”	agreement dated 18 April 2007 in relation to the sale and purchase of the Properties entered into between the Vendors and the Purchaser
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the Bye-laws of the Company
“Company”	Soundwill Holdings Limited, a limited liability company incorporated in Bermuda, the Shares of which are listed on the Stock Exchange (stock code 878)
“Completion Date”	three months from the date of the Agreement, i.e. 18 July 2007 between 10:00 a.m. and 5:00 p.m.
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	Ko Bee Limited, a company incorporated in British Virgin Islands which owns 156,783,709 Shares, representing 70.25% of the issued share capital of the Company and the ultimate beneficial owner of which is Madam Foo Kam Chu, Grace, the chairman of the Company
“Disposal”	the intended disposal of the Properties by the Vendors to the Purchaser pursuant to the Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Valuer”	Savills Valuation and Professional Services Limited, the independent valuer appointed by the Company for the purpose of preparing a valuation report on the fair market value of the Properties
“Land”	Nos. 30, 32, 34, 36, 38 and 40 Bowrington Road, Hong Kong
“Latest Practicable Date”	11 May 2007 being the latest practicable date before the printing of this circular for ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	the 1st Property and the 2nd Property, the ground floors of which are for non residential purpose and the upper floors of which are for residential purpose
“PRC”	the People’s Republic of China which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Purchaser”	Shun Ho Real Estate Limited, a company incorporated in Hong Kong with limited liability, and to the best knowledge of the Company, it is an indirect subsidiary of Shun Ho Resources
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shun Ho Resources”	Shun Ho Resources Holdings Limited, the shares of which are listed on the Stock Exchange (stock code 253)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	the 1st Vendor and the 2nd Vendor, which expression may, where the circumstances require or permit, refer to either one of them
“%”	per cent.
“1st Property”	properties being the ground floor, the first floor, the second floor, the third floor, the fourth floor, the fifth floor and the roof located on Nos. 30, 32, 34 and 36 Bowrington Road, Hong Kong
“2nd Property”	properties being the ground floor, the first floor, the second floor, the third floor, the fourth floor, the fifth floor and the roof located on Nos. 38 and 40 Bowrington Road, Hong Kong
“1st Vendor”	Wealth Sky Properties Limited, a company incorporated in Hong Kong with limited liability, which is a wholly owned indirect subsidiary of the Company
“2nd Vendor”	Soundwill (Chongqing) Limited, a company incorporated in Hong Kong with limited liability, which is a wholly owned indirect subsidiary of the Company

LETTER FROM THE BOARD



SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

Executive Directors:

Foo Kam Chu Grace
Chan Wai Ling
Tse Chun Kong Thomas
Kwan Chai Ming

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-Executive Directors:

Liang Yanfeng
Meng Qinghui

Head Office and principal

place of business in Hong Kong:
21st Floor, Soundwill Plaza
38 Russell Street
Causeway Bay
Hong Kong

Independent Non-Executive Directors:

Heng Kwoo Seng
Kwan Kai Cheong
Ho Suk Yin

14 May 2007

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF PROPERTIES

INTRODUCTION

By an announcement dated 20 April 2007 the Directors announced that on 18 April 2007, the Vendors entered into the Agreement with the Purchaser for the sale and purchase of the Properties. The consideration for the Disposal of the Properties is HK\$230 million payable by cash.

The transaction contemplated under the Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to shareholders' approval under Rule 14.40 of the Listing Rules. As none of the Shareholders is interested in the Disposal, none of the Shareholders is required to abstain from voting in respect of the Disposal, and the written shareholders' approval was obtained from the Controlling Shareholder on 18 April 2007 approving the Disposal in lieu of holding a general meeting in accordance with Rule 14.44 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide Shareholders with further information on the Disposal and other information in compliance with the requirements of Chapter 14 of the Listing Rules.

AGREEMENT FOR SALE AND PURCHASE OF PROPERTIES DATED 18 APRIL 2007

- Vendors : 1st Vendor — Wealth Sky Properties Limited
2nd Vendor — Soundwill (Chongqing) Limited
- Purchaser : Shun Ho Real Estate Limited
- Summary : The Agreement was entered into between the Purchaser and the Vendors pursuant to which the 1st Vendor has agreed to sell and the Purchaser has agreed to purchase the 1st Property and the 2nd Vendor has agreed to sell and the Purchaser has agreed to purchase the 2nd Property. The aggregate consideration for the Disposal of the Properties is HK\$230 million payable by cash.

The initial deposit and part payment being HK\$5 million has been paid to the Vendors upon signing of the Agreement. A further deposit and part payment being HK\$18 million has been paid to the Vendors on 2 May 2007 (the date falling 14 days after the date of Agreement). The remaining consideration for the purchase of the Properties being HK\$207 million shall be payable to the Vendors upon completion. The Disposal is expected to be completed on or before the Completion Date.

Upon completion, the Vendors shall leave with their solicitors a sum of HK\$15 million to be held by their solicitors as stakeholder and will be released (together with interest accrued thereon) upon (a) the authorized person certifying that the demolition of the existing building(s) erected on the Land has been completed, and (b) vacant bare site of the Land having been delivered by the Vendors to the Purchaser within eight months from the date on which the Purchaser requests, in writing, the Vendors for an open tender for the said demolition work to be carried out at the costs and expenses of the Purchaser.

CONDITION TO BE SATISFIED BY THE VENDORS

The Vendors shall, not later than 10 days before the Completion Date, confirm to and notify the Purchaser in writing that the Vendors have obtained vacant possession of the Properties and supply to the Purchaser certified true copies of all relevant surrender agreements, termination agreements, cancellation agreements and/or documents of like nature (if any) satisfactory to the Purchaser in respect of the termination of all tenancies. Accordingly, the valuation report on the fair market value of the Properties is prepared on a vacant possession basis by the Independent Valuer.

CONDITION TO BE SATISFIED BY THE PURCHASER

Completion of Disposal shall be conditional upon the passing of a resolution regarding the purchase of the Properties at the extraordinary general meeting to be held by the Purchaser's parent company, Shun Ho Resources. Such condition has not yet been fulfilled as at the Latest Practicable Date.

In the event that the Purchaser fails to arrange the extraordinary general meeting to be held on or before 18 July 2007, the Purchaser may postpone the Completion Date to 20 August 2007.

LETTER FROM THE BOARD

COMPLETION

Subject to the satisfaction of the above conditions, Disposal shall take place on or before the Completion Date.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF THE PROPERTIES

The Properties are located in Causeway Bay, Hong Kong and were acquired by the Group during the period from May 2006 to February 2007. At the time the Properties were acquired by the Company, the Properties were held by the Company as investment properties for rental purpose. The aggregate site area of the Properties is approximately 4,209 square feet.

The respective carrying value of the 1st Property and the 2nd Property was HK\$83,835,000 and HK\$52,760,000 as shown in the latest management account of the Company as at 31 March 2007.

In light of the substantial gain expected to be generated from the Disposal, the Directors consider that it is an opportunity for the Group to realize its investments in the property market. The Group purchased the Properties at a cost of HK\$136,595,000 in aggregate.

Based on such acquisition costs, the expected net gain accrued to the Group upon completion of the Disposal will approximately be HK\$90,605,000 after taking into account selling and other expenses payable by the Group in relation to the Disposal of approximately HK\$2,800,000. The Group intends to use the sale proceeds from the Disposal of approximately HK\$87,485,000 for settlement of bank loans on the Properties and the balance for general working capital of the Group.

The gross rental income attributable to part of the Properties with tenancies is approximately HK\$150,000 for the year ended 31 December 2006. The net rental income attributable to part of the Properties with tenancies is approximately HK\$142,000 for the year ended 31 December 2006.

The Directors confirm that the consideration for the Properties has been determined after arm's length negotiations between the parties by reference to the market value of similar properties in the same location. The valuation of the Properties by the Independent Valuer with valuation date as at 19 March 2007 was approximately HK\$204 million with reference to the comparable market price. The consideration of the Disposal is at 12.7% premium as compared to such value. The Directors considered that the Disposal at such premium is a good opportunity for the Group to realize its investments.

The Directors are of the view that the Disposal is in the interest of the Company and the terms of the Agreement and the consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE PURCHASER

The Company

The Company is an investment holding company. The Group is principally engaged in property development, property leasing and provision of building management services in Hong Kong and infrastructure facilities in the PRC.

LETTER FROM THE BOARD

The Purchaser

Shun Ho Real Estate Limited carries on the businesses of hotel operation and property investment and is incorporated in Hong Kong with limited liabilities.

To the best knowledge of the Directors and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner and their respective associates do not hold any shareholding interests in the Company or any of its associates, and are third parties independent of the Company and connected persons of the Company.

FINANCIAL EFFECTS OF THE DISPOSAL ON THE GROUP

It is estimated that the Group will record a net gain of approximately HK\$90,605,000 from the Disposal for the year ending 31 December 2007 based on the carrying value of the Properties of HK\$136,595,000 as at 31 March 2007.

The Disposal will have a positive effect on the Group's working capital position as the Group will retain an estimated amount of HK\$139,715,000 in cash.

The Disposal is not expected to have any material impact on the consolidated total assets and consolidated total liabilities of the Group. After the Disposal of the Properties, the consolidated total assets of the Group will be increased by the net gain of HK\$90,605,000. There will also be a decrease in consolidated total liabilities of the Group by HK\$87,485,000 due to the repayment of mortgage loan on the Properties.

LISTING RULES IMPLICATIONS

The Disposal constitutes a major transaction of the Company under the Listing Rules and is therefore subject to Shareholders' approval under Rule 14.40 of the Listing Rules. As none of the Shareholders is interested in the Disposal, none of the Shareholders is required to abstain from voting in respect of the Disposal, and the written shareholders' approval of the Disposal was obtained from the Controlling Shareholder on 18 April 2007 in lieu of holding a general meeting in accordance with Rule 14.44 of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable, and the Disposal is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors would have recommended the Shareholders to vote for the Disposal if a shareholders' meeting were to be convened to approve the Disposal.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Soundwill Holdings Limited
Kwan Chai Ming
Executive Director

INDEBTEDNESS

As at 31 March 2007, the Group had outstanding secured and unsecured borrowings of HK\$1,398,893,000 and convertible bonds of HK\$23,355,000. The borrowings comprised secured bank loans of HK\$1,338,496,000 and unsecured other borrowings of HK\$60,397,000. The bank borrowings were secured by certain investment properties and properties held for sale with a carrying value of HK\$4,217,176,000 as at 31 March 2007.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities and normal accounts payable in the ordinary course of business of the Group, the Group did not have any debt securities, term loans or other outstanding borrowings or indebtedness including bank overdrafts, liabilities under acceptance, acceptance credits, hire purchase commitments, mortgage or charge or other material contingent liabilities or guarantees as at 31 March 2007.

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the Group's indebtedness position since 31 March 2007.

WORKING CAPITAL

The net proceeds of the Disposal, after taking into account of related cost and expenses, is approximately HK\$227,200,000. The amount of all outstanding mortgage loan on the Properties is approximately HK\$87,485,000. After the repayment of this mortgage loan from the sales proceeds, the Group will retain an estimated amount of HK\$139,715,000 in cash. Accordingly, the Disposal has a positive effect on the Group's working capital position.

The Directors of the Company are of the opinion that, after taking into account the internal resources available to the Group, net proceeds from the Disposal and present available banking facilities, the Group has sufficient working capital for the next twelve months from the date of this circular.

TRADING AND FINANCIAL PROSPECTS

The Group's urban redevelopment operations had begun to generate respectable returns. Leveraging the management expertise in urban redevelopment, and its highly flexible business setup, the Group enjoys a distinctive niche in urban redevelopment. The shortage of land supply in the urban area, in particular, the densely populated and established district, has set the scene for over-due urban redevelopment. The urban redevelopment operation will become a profit growth engine of the Group.

There is a pressing market and growing demand for retail property and the rental is expected to rise. The Group's flagship property, Soundwill Plaza, will continue to generate stable recurring rental income for the Group. The introduction of world renowned international brand names and adjusting of tenant mix will enhance the Group's leasing operation. With expiration and renewal of the leases, the rental is expected to increase in 2007.

The low density residential property project at Sai Kung is expected to be completed and launched for sale in 2007 and is expected to generate favourable sales revenue and profit to the Group in the financial year of 2007. Another project at Yuen Long is under architectural planning stage and the development is expected to commence at the end of 2007.

Looking ahead, the Group will continue to achieve a significant enhancement in the operational efficiency and the scope of businesses with a view to improve its profitability.

The following is the text of a letter together with the summary of values and valuation certificate from Savills Valuation and Professional Services Limited, the Independent Valuer, in connection with their opinion of values of the Properties as at 19 March 2007.



The Directors
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14 May 2007

Dear Sirs,

**RE: NOS. 30, 32, 34, 36, 38 AND 40 BOWRINGTON ROAD, CAUSEWAY BAY, HONG KONG
(COLLECTIVELY THE “1ST PROPERTY” AND “2ND PROPERTY”, AS DEFINED IN THE
CIRCULAR OF THE COMPANY DATED 14 MAY 2007)**

In accordance with your instructions for us to value the above captioned properties, which are held by Soundwill Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests for investment, we confirm that we have caused land searches at the Land Registry and made relevant enquiries and investigations as we consider necessary for the purpose of providing you with our opinion of the market value of the captioned properties as at 19 March 2007.

Our valuation is our opinion of the market value of the properties concerned which we would define as intended to mean “the estimated amount for which a Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation is prepared in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of Listing Rules published by the Stock Exchange of Hong Kong.

We have valued the properties in its existing state with reference to sales evidence as available on the market assuming that the vacant possession of the properties would be readily available upon completion of a sale.

We have not been provided with any title document relating to the properties but we have caused searches to be made at the Land Registry, the result of which is stated in the valuation certificate attached. We have not, however, inspected the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies obtained by us.

We have relied to a very considerable extent on information given by you and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy, building plans, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations.

We have inspected the exterior of the properties and where possible, we have also inspected the interior of the premises. However, no structural survey has been made but in the course of our inspection, we did not note any serious defect. We are not, however, able to report that the properties are free of rot, infestation or any other structural defect. No test was carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties nor for 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 an onerous nature which could affect its value.

We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited
Charles Chan
MSc FRICS FHKIS MCI Arb RPS (GP)
Managing Director

Note: Mr. Charles C K Chan, chartered estate surveyor, *MSc, FRICS, FHKIS, MCI Arb, RPS(GP)*, has been a qualified valuer since June 1987 and has about 21 years experience in the valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property held by the Group for investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 19 March 2007
30, 32, 34, 36, 38 and 40 Bowrington Road, Causeway Bay, Hong Kong	“30, 32, 34, 36, 38 and 40 Bowrington Road” comprises a 6-storey composite development erected on a site with a registered site area of approximately 391.03 sq m (4,209 sq ft).	As at the date of valuation, portion of the property was let under various tenancies with the latest expiring in May 2007 at a total monthly rent of about HK\$38,000. However, we have been instructed to value the property on vacant possession basis..	HK\$204,000,000
Inland Lot No. 8263.	The Ground Floor of the development is designated as shops and the upper 1st to 5th Floors are planned as domestic units. The development was completed in 1971. The property comprises the whole of the development. Inland Lot No. 8263 is held under Conditions of Regrant No. 9879 for a term of 150 years commencing from 17 October 1898. The annual Government rent payable for the lot is HK\$290.		

Notes :

- (1) The current registered owners of the property are Wealth Sky Properties Limited and Soundwill (Chongqing) Limited, which are the wholly owned subsidiaries of the Company.
- (2) The properties are subject to the following encumbrances:
 - various Mortgage to secure all moneys in respect of general banking facilities in favour of DBS Bank (Hong Kong) Limited. (all units in the property except 5/F & Roof of 38 Bowrington Road)
 - An Order No.UBZ/U11/0249/01 under Section 24(1) of the Buildings Ordinance issued by the Building Authority. (For G/F of 32 Bowrington Road)
- (3) The property lies within an area zoned “Commercial/Residential” under Wan Chai Outline Zoning Plan.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS**(a) Directors' interest in the Company**

As at the Latest Practicable Date, save as mentioned below, none of the Directors and chief executive has any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) 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 which he is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

(i) Long positions in the Shares:

Name of Director	Capacity	Number of Shares	Approximate percentage of shareholding
Foo Kam Chu, Grace <i>(Note)</i>	Interest of controlled corporation	156,783,709	70.25
	Beneficial owner	96,000	0.04
Tse Chun Kong, Thomas	Interest of spouse	6,000	0.00
	Beneficial owner	723	0.00
Kwan Chai Ming	Beneficial owner	20,000	0.01

Note: The 156,783,709 Shares are held by Ko Bee Limited ("Ko Bee"), the entire issued share capital of which is held by Foo Kam Chu, Grace.

(ii) *Long positions in underlying shares of equity derivatives of the Company — interests in share options of the Company (being granted and remained outstanding):*

Name	Capacity	Number of Shares in the option	Approximate percentage of shareholding	Exercisable period	Price of grant	Subscription price per Share
Foo Kam Chu, Grace	Beneficial owner	200,000	0.09	06/01/2005 to 05/01/2010	HK\$1.00	HK\$1.47
		200,000	0.09	04/01/2006 to 03/01/2011	HK\$1.00	HK\$2.38
		200,000	0.09	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52
Tse Chun Kong, Thomas	Beneficial owner	60,000	0.03	08/01/2004 to 07/01/2009	HK\$1.00	HK\$1.50
		90,000	0.04	06/01/2005 to 05/01/2010	HK\$1.00	HK\$1.47
		90,000	0.04	04/01/2006 to 03/01/2011	HK\$1.00	HK\$2.38
		90,000	0.04	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52
Chan Wai Ling	Beneficial owner	60,000	0.03	08/01/2004 to 07/01/2009	HK\$1.00	HK\$1.50
		90,000	0.04	06/01/2005 to 05/01/2010	HK\$1.00	HK\$1.47
		90,000	0.04	04/01/2006 to 03/01/2011	HK\$1.00	HK\$2.38
		90,000	0.04	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52
Kwan Chai Ming	Beneficial owner	80,000	0.04	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52
Meng Qinghui	Beneficial owner	60,000	0.03	08/01/2004 to 07/01/2009	HK\$1.00	HK\$1.50
		90,000	0.04	06/01/2005 to 05/01/2010	HK\$1.00	HK\$1.47
		90,000	0.04	04/01/2006 to 03/01/2011	HK\$1.00	HK\$2.38
		90,000	0.04	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52
Liang Yanfeng	Beneficial owner	90,000	0.04	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52

(iii) Long positions in underlying shares of equity derivatives of the Company — interests in convertible bonds each of which is convertible into one Share at the conversion price of HK\$1.66:

Name of Director	Capacity	Principal amount of convertible bonds	Number of underlying Shares	Approximate percentage of shareholding
Foo Kam Chu, Grace	Interest of controlled corporation	HK\$23,499,490	14,156,319 (Note)	6.34

Note : These convertible bonds are held by Ko Bee, a company wholly owned by Foo Kam Chu, Grace who is deemed, by virtue of the SFO, to be interested in these convertible bonds.

(b) Directors' interests in associated corporations

Name of Director	Name of associated corporation	Capacity	Number and class of shares	Percentage of shareholding
Foo Kam Chu, Grace	Ko Bee	Beneficial owner	1 ordinary share	100

Save that Foo Kam Chu, Grace is the sole director of Ko Bee, the controlling and substantial shareholder of the Company, none of the Directors is a director or employee of Ko Bee.

(c) Interests in assets of the Group

A tenancy agreement made between a subsidiary of the Company and a related company (25% of total issued shares of which is held by Chan Wai Ling, executive director of the Company, and which is also in association with Foo Kam Chu, Grace (“Madam Foo”), chairman of the Company to the extent that Madam Foo is the mother of Chan Wai Ling) for leasing a residential property in Hong Kong expired on 30 April 2007 and will be renewed for a period of three years commencing from 1 May 2007 at a monthly rent of HK\$80,000.

Save as above, as at the Latest Practicable Date, none of the Directors has any interest in any assets which have been, since 31 December 2006, being the date to which the latest published audited accounts of the Company were made up, acquired, disposed of or leased to any member of the Group, or are proposed to be acquired, disposed of or leased to any member of the Group.

3. SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the person other than a director or chief executive of the Company who has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is expected, directly or indirectly, to be interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, were as follows:

(a) Long positions in the Shares

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of shareholding
Ko Bee	Beneficial owner	156,783,709	70.25

(b) Long positions in underlying Shares of equity derivatives of the Company — interests in the convertible bonds of the Company:

Name of Shareholder	Capacity	Principal amount of convertible bonds	Number of underlying Shares	Approximate percentage of shareholding
Ko Bee	Beneficial owner	HK\$23,499,490	14,156,319	6.34

4. CONSENT

Savills Valuation and Professional Services Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and valuation certificate and the references to its name, letter and valuation certificate in the form and context in which it appears.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any other member of the Group.

6. MATERIAL CONTRACTS

Save as the Agreement and the sale and purchase agreement dated 20 October 2006 (as announced by the Company on 23 October 2006) between Rise Champion Holdings Limited (a wholly owned indirect subsidiary of the Company) and Better Chance International Limited for the disposal of properties located on Nos. 8, 10 and 12 Lin Fa Kung Street West and Nos. 98 and 100 Tung Lo Wan Road, Hong Kong at the consideration of HK\$245,000,000 which has been completed on 15 December 2006, neither the Company nor any other member of the Group has entered into any material contracts (not being contracts entered into in the ordinary course of business carried out by the Group) within the two years preceding the Latest Practicable Date.

7. SERVICE AGREEMENT

There is no existing or proposed service contract between any Director and the Company or any of its members which is not terminable within one year without payment of compensation (other than statutory compensation) and no service contract has been entered into or amended within six months before the Latest Practicable Date.

8. MISCELLANEOUS

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement which is significant in relation to the business of the Group.

Each of the Directors has confirmed that he/she and their respective associates do not have any interests in a business which directly or indirectly competes with the business of the Group.

9. EXPERT

The following is the qualification of the expert who has given its letter and valuation certificate on 19 March 2007 which were made by the expert for incorporation in this circular and are contained or referred to in this circular:

Name	Qualification
Savills Valuation and Professional Services Limited	Independent Property Valuer

As at the Latest Practicable Date, Savills Valuation and Professional Services Limited is not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2006 (the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of or leased to, or are proposed to be acquired or disposed of or leased to any member of the Group.

10. GENERAL

- (a) The company secretary of the Company is Kwan Chai Ming, a qualified solicitor in Hong Kong.
- (b) The qualified accountant of the Company is Lau Chan Wing, Raymond, a certified public accountant in Hong Kong.
- (c) The Company's Hong Kong branch share registrar is Standard Registrars Limited, 26th Floor, Tesbury Centre, No. 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (e) The registered office of Ko Bee Limited is Offices of Offshore Incorporations Limited, P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, the British Virgin Islands.
- (f) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office of the Group at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong up to and including 29 May 2007:

- (a) the memorandum and Bye-laws of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" in Appendix III to this circular;
- (c) the annual reports of the Company for years ended 31 December 2005 and 31 December 2006 respectively;
- (d) the valuation report in respect of the Properties, from the Independent Valuer, the text of which is set out in Appendix II to this circular;
- (e) the letter of consent from the expert referred to in the section headed "Expert" in Appendix III to this circular; and
- (f) the circular of the Company dated 14 November 2006.