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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).

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SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

**DISCLOSEABLE 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”	the agreement dated 11 August 2007 in relation to the sale and purchase of the Properties entered into between the Vendors and the Purchaser
“associate(s)”	have the same meaning ascribed thereto 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”	26 November 2007
“Director(s)”	director(s) of the Company
“Disposal”	the intended disposal of the Properties by the Vendors to the Purchaser pursuant to the Agreement
“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
“Latest Practicable Date”	31 August 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

DEFINITIONS

“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
“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
“Purchaser”	Benway Limited, a company incorporated in Hong Kong with limited liability
“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
“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 No. 19 Sharp Street East, Hong Kong (subsection 1 of section B of subsection 4 of section B of inland lot no. 730)
“2nd Property”	properties being No. 21 Sharp Street East, Hong Kong (the remaining portion of section B of subsection 4 of section B of inland lot no. 730)
“1st Vendor”	Ever Manor International Limited, a company incorporated in Hong Kong with limited liability
“2nd Vendor”	Wonder Mark 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

4 September 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTIES

INTRODUCTION

By an announcement dated 14 August 2007 the Directors announced that on 11 August 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\$148 million payable by cash.

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 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 11 AUGUST 2007

Vendors : 1st Vendor – Ever Manor International Limited
2nd Vendor – Wonder Mark Limited

Purchaser : Benway 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\$148 million payable by cash (the consideration of each of the 1st Property and the 2nd Property are HK\$74 million respectively). Under the Agreement, the Properties must be sold at the same time.

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\$9.8 million has been paid to the Vendors on 24 August 2007. The remaining consideration for the purchase of the Properties being HK\$133.2 million shall be payable to the Vendors upon completion. The Disposal is expected to be completed on or before the Completion Date. Any part of the consideration shall be shared by the 1st Vendor and the 2nd Vendor in equal shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are not connected persons (as defined in the Listing Rules) of the Company and are independent from and not connected with the Company and its connected persons (as defined in the Listing Rules).

CONDITION TO BE SATISFIED BY THE VENDORS

In respect of the 1st Property, the 1st Vendor shall sell to the Purchaser the 1st Property free from encumbrances and shall deliver vacant possession of the 1st Property to the Purchaser upon completion.

LETTER FROM THE BOARD

In respect of the 2nd Property, the 2nd Vendor shall sell to the Purchaser the 2nd Property free from encumbrances and the Purchaser agrees to purchase the same subject to existing tenancies upon completion.

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. The 2nd Property was acquired by the Group in December 1993 and since then it was held by the Group as investment properties for investment purpose. The aggregate site area for the Properties is approximately 1,380 square feet. The site area for each of the 1st Property and the 2nd Property is approximately 690 square feet. The ground floors of the Properties are for non-residential use and the upper floors are for residential use.

The carrying value of the 2nd Property was HK\$27,600,000 as shown in the latest management account of the Company as at 30 June 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\$20,349,000 in aggregate.

Based on such acquisition costs, the expected net gain accrued to the Group upon completion of the Disposal will approximately be HK\$45,400,000 after taking into account selling and other expenses payable by the Group in relation to the Disposal of approximately HK\$1,000,000. The Group intends to use the sale proceeds from the Disposal for general working capital of the Group.

The gross rental income attributable to part of the 2nd Property with tenancies are approximately HK\$649,000 and HK\$1,236,000 respectively for the years ended 31 December 2005 and 31 December 2006. The net rental income attributable to part of the 2nd Property with tenancies are approximately HK\$389,000 and HK\$870,000 respectively for the years ended 31 December 2005 and 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 2nd Property by the Independent Valuer with valuation date as at 10 August 2007 was approximately HK\$69,000,000 with reference to the comparable market price. The consideration of the Disposal is at 7.2% 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.

LETTER FROM THE BOARD

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.

The Purchaser

Benway Limited is an investment holding company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are not connected persons (as defined in the Listing Rules) of the Company and are independent from and not connected with the Company and its connected persons (as defined in the Listing Rules).

FINANCIAL EFFECTS OF THE DISPOSAL ON THE GROUP

It is estimated that the Group will record a net gain of approximately HK\$45,400,000 from the Disposal for the year ending 31 December 2007 based on the carrying value of the Properties of HK\$27,600,000 as at 30 June 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\$73,000,000 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\$45,400,000.

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

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.

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 were as follows:

(i) Long positions in the Shares:

Name of Director	Capacity	Number of Shares	Approximate percentage of shareholding
Foo Kam Chu, Grace (Note)	Interest of controlled corporation	156,783,709	70.05
	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	80,000	0.04

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
		600,000	0.27	18/01/2008 to 21/07/2012	HK\$1.00	HK\$6.17
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
		90,000	0.04	18/01/2008 to 21/07/2012	HK\$1.00	HK\$6.17
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
		2,000,000	0.89	18/01/2008 to 21/07/2012	HK\$1.00	HK\$6.17
Kwan Chai Ming	Beneficial owner	150,000	0.07	18/01/2008 to 21/07/2012	HK\$1.00	HK\$6.17
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
		90,000	0.04	18/01/2008 to 21/07/2012	HK\$1.00	HK\$6.17
Liang Yanfeng	Beneficial owner	90,000	0.04	20/05/2007 to 19/05/2012	HK\$1.00	HK\$2.52
		90,000	0.04	18/01/2008 to 21/07/2012	HK\$1.00	HK\$6.17

- (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 <i>(Note)</i>	6.32

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 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	70.05

(b) Long positions in underlying Shares of equity derivatives of the Company – interest 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	6.32

4. 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.

5. MATERIAL CONTRACTS

Save as 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 and the sale and purchase agreement dated 18 April 2007 (as announced by the Company on 20 April 2007) between Wealth Sky Properties Limited, Soundwill (Chongqing) Limited (wholly owned indirect subsidiaries of the Company) and Shun Ho Real Estate Limited, 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.

6. SERVICE AGREEMENTS

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.

7. 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.

8. 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 Tricor Standard Limited, 26th Floor, Tesbury Centre, No. 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

- (e) The registered office of Ko Bee Limited is situated at the 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.

9. 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 18 September 2007:

- (a) the memorandum and Bye-laws of the Company;
- (b) the material contracts referred to in the section headed “Material Contracts” in Appendix II to this circular;
- (c) the annual reports of the Company for years ended 31 December 2005 and 31 December 2006 respectively;
- (d) the Agreement dated 11 August 2007 in relation to the sale and purchase of the Properties entered into between the Vendors and the Purchaser;
- (e) the circular of the Company dated 14 May 2007; and
- (f) the circular of the Company dated 14 November 2006.