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## **SOUNDWILL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 878)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTIES**

On 23 June 2008, the 1st Vendor entered into the 1st Preliminary Disposal Agreement with the Purchaser for the sale and purchase of the 1st Property. The consideration for the Disposal of the 1st Property is HK\$30,000,000 payable by cash.

On 23 June 2008, the 2nd Vendor entered into the 2nd Preliminary Disposal Agreement with the Purchaser for the sale and purchase of the 2nd Property. The consideration for the Disposal of the 2nd Property is HK\$85,000,000 payable by cash.

The transactions contemplated under the Preliminary Disposal Agreements constitute a discloseable transaction of the Company under Chapter 14 of the Listing. A circular of the Company in relation to the Disposal will be despatched to the Shareholders as soon as reasonably practicable.

#### **PRELIMINARY DISPOSAL AGREEMENTS DATED 23 JUNE 2008**

Vendor : 1st Vendor — Champion Fund Limited  
2nd Vendor — On Step Properties Limited

Purchaser : Elite Support Limited

Summary : The Preliminary Disposal Agreements were 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 shall be HK\$115,000,000 payable by cash (the consideration of each of the 1st Property and the 2nd Property are HK\$30,000,000 and HK\$85,000,000 respectively).

Under the Preliminary Disposal Agreements, the Properties must be sold at the same time.

In relation to the 1st Property, the initial deposit and part payment being HK\$500,000 has been paid to the 1st Vendor upon signing of the 1st Preliminary Disposal Agreement. A further deposit and part payment being HK\$8,500,000 shall be paid to the 1st Vendor on or before 3 July 2008. The remaining consideration for the purchase of the 1st Property being HK\$21,000,000 shall be paid to the 1st Vendor upon completion. The Disposal is expected to be completed on or before the Completion Date.

In relation to the 2nd Property, the initial deposit and part payment being HK\$5,000,000 has been paid to the 2nd Vendor upon signing of the 2nd Preliminary Disposal Agreement. A further deposit and part payment being HK\$20,500,000 shall be paid to the 2nd Vendor on or before 3 July 2008. The remaining consideration for the purchase of the 2nd Property being HK\$59,500,000 shall be paid to the 2nd Vendor upon completion. The Disposal is expected to be completed on or before the Completion Date.

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).

## **CONDITIONS TO BE SATISFIED BY THE VENDORS**

### **1st Property**

The 1st Vendor shall give a good title and sell to the Purchaser the 1st Property free from encumbrances and the Purchaser agrees to purchase the same subject to existing tenancies upon completion.

### **2nd Property**

The 2nd Vendor shall give a good title and sell to the Purchaser the 2nd Property free from encumbrances and shall deliver vacant possession of the 2nd Property to the Purchaser upon completion.

The 2nd Vendor shall upon completion assign and/or transfer (so for the same is assignable and/or transferable) the permits (if any) which are being applied for by the 2nd Vendor and not yet approved by the relevant authorities for a proposed building of hotel on the lot and the removal of the offensive trade clause under the government lease and to carry on the trade of tavern keeper and/or victualler to the Purchaser.

## **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 Tai Hang, Hong Kong. The 1st Property was acquired by the Group since 1994. At the time the 1st Property was acquired by the Group, it was held as investment properties for investment purpose. The 2nd Property was acquired by the Group since 2006. At the time the 2nd Property was acquired by the Group, it was held for assembly business. The area and site area for each of the 1st Property and the 2nd Property are approximately 1,182 square feet and 1,800 square feet respectively. The 1st Property is for non-domestic use and the 2nd Property is now a vacant site and the usage for the buildings previously erected on the same are for non-domestic purpose for the ground floor shops and for domestic purpose for the upper floor units.

The carrying value of the 1st Property and the 2nd Property were HK\$5,850,000 and HK\$35,895,000 respectively as shown in the latest management account of the Company as at 31 May 2008.

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\$42,946,000 in aggregate (i.e. HK\$3,500,000 and HK\$39,446,000 for the 1st Property and the 2nd Property respectively)

Based on such carrying value, the expected net gain accrued to the Group upon completion of the Disposal will approximately be HK\$71,955,000 after taking into account selling and other expenses payable by the Group in relation to the Disposal of approximately HK\$1,300,000. The Group intends to use the sale proceeds from the Disposal as to approximately HK\$22,910,000 for repayment of the mortgage loan on the 2nd Property and the balance of approximately HK\$90,790,000 for general working capital of the Group.

The gross rental income attributable to the 1st Property with tenancies are approximately HK\$232,800 and HK\$159,200 respectively for the years ended 31 December 2007 and 31 December 2006. The net rental income attributable to the 1st Property with tenancies are approximately HK\$179,200 and HK\$98,890 respectively for the years ended 31 December 2007 and 31 December 2006.

The gross rental income attributable to the 2nd Property with tenancies is approximately HK\$19,800 for the year ended 31 December 2007. The net rental income attributable to the 2nd Property with tenancies is approximately HK\$11,380 for the year ended 31 December 2007.

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 1st Property and the 2nd Property by CB Richard Ellis Limited, an independent professional valuer with valuation date as at 23 June 2008 was approximately HK\$10,000,000 and HK\$70,000,000 respectively with reference to the comparable market price. The consideration of the Disposal is at 43.75% 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 Preliminary Disposal Agreements 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**

The Purchaser carries on the business of property investment and is incorporated in Hong Kong with limited liabilities.

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).

## **GENERAL**

The Disposal constitutes a discloseable transaction of the Company under the Listing Rules. A circular of the Company in relation to the Disposal will be despatched to Shareholders as soon as practicable.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“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”	on or before 3 September 2008
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Properties by the Vendors to the Purchaser pursuant to the Preliminary Disposal Agreements
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Preliminary Disposal Agreements”	collectively the 1st Preliminary Disposal Agreement and the 2nd Preliminary Disposal Agreement
“Properties”	collectively the 1st Property and the 2nd Property
“Purchaser”	Elite Support Limited, a company incorporated in Hong Kong with limited liability
“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”	collectively the 1st Vendor and the 2nd Vendor which are wholly-owned subsidiaries of the Company
“%”	per cent.
“1st Preliminary Disposal Agreement”	the preliminary agreement dated 23 June 2008 in relation to the sale and purchase of the 1st Property entered into between the 1st Vendor and the Purchaser
“2nd Preliminary Disposal Agreement”	the preliminary agreement dated 23 June 2008 in relation to the sale and purchase of the 2nd Property entered into between the 2nd Vendor and the Purchaser
“1st Property”	being Shops 1, 2, 3, 5, 6, 7, 8, 9, on Ground Floor, The Jolly House, No. 16 Lin Fa Kung Street West, Hong Kong
“2nd Property”	All that piece or parcel of land registered in the urban land registry as The Remaining Portion of Inland Lot No. 2084 and now known as Nos. 11, 11A, 13, 15 and 15A Lin Fa Kung Street East, Hong Kong

“1st Vendor”	Champion Fund Limited, a company incorporated in Hong Kong with limited liability
“2nd Vendor”	On Step Properties Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 24 June 2008

*As at the date of this announcement, the Board of Directors of the Company comprise (i) Executive Directors: Foo Kam Chu Grace, Chan Wai Ling, Tse Chun Kong Thomas, Kwan Chai Ming; (ii) Non-Executive Directors: Liang Yanfeng, Meng Qinghui; and (iii) Independent Non-Executive Directors: Kwan Kai Cheong and Ho Suk Yin.*