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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:

“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”	on or before 3 September 2008
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“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
“Ko Bee”	Ko Bee Limited, a company incorporated in British Virgin Islands which owns 170,940,028 Shares, representing 71.47% of the issued share capital of the Company and ultimate owner of which is Madam Foo Kam Chu, Grace, the chairman of the Company
“Latest Practicable Date”	10 July 2008, 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
“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

DEFINITIONS

“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
“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”	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

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:

Kwan Kai Cheong
Ho Suk Yin

14 July 2008

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTIES

INTRODUCTION

By an announcement dated 24 June 2008 the Directors announced that on 23 June 2008, the Vendors entered into the Preliminary Disposal Agreements with the Purchaser for the sale and purchase of the Properties. The consideration for the Disposal of the Properties is HK\$115,000,000 in aggregate payable by cash.

The transaction contemplated under the Preliminary Disposal Agreements constitute 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.

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 has also been paid to the 1st Vendor on 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 has also been paid to the 2nd Vendor on 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).

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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).

FINANCIAL EFFECTS OF THE DISPOSAL ON THE GROUP

It is estimated that the Group will record a net gain of approximately HK\$71,955,000 from the Disposal for the year ending 31 December 2008 based on the carrying value of the Properties of HK\$41,745,000 as at 30 May 2008.

The Disposal will have a positive effect on the Group's working capital position as the Group will retain an estimated amount of HK\$90,790,000 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\$71,955,000.

ADDITIONAL INFORMATION

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

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

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	Interest of controlled corporation	170,940,028 <i>(Note)</i>	71.47%
	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	30,000	0.01

Note: The 170,940,028 Shares are held by Ko Bee, the entire issued share capital of which is held by Madam 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	Exercisable Period	Price of Grant (HK\$)	Subscription Price per Share (HK\$)
Foo Kam Chu, Grace	Beneficial owner	600,000	18/01/2008 to 21/07/2012	1.00	6.17
Tse Chun Kong, Thomas	Beneficial owner	60,000	08/01/2004 to 07/01/2009	1.00	1.50
		90,000	06/01/2005 to 05/01/2010	1.00	1.47
		90,000	04/01/2006 to 03/01/2011	1.00	2.38
		90,000	20/05/2007 to 19/05/2012	1.00	2.52
		90,000	18/01/2008 to 21/07/2012	1.00	6.17
Chan Wai Ling	Beneficial owner	2,000,000	18/01/2008 to 21/07/2012	1.00	6.17
Kwan Chai Ming	Beneficial owner	150,000	18/01/2008 to 21/07/2012	1.00	6.17
Meng Qinghui	Beneficial owner	60,000	08/01/2004 to 07/01/2009	1.00	1.50
		90,000	06/01/2005 to 05/01/2010	1.00	1.47
		90,000	04/01/2006 to 03/01/2011	1.00	2.38
		90,000	20/05/2007 to 19/05/2012	1.00	2.52
		90,000	18/01/2008 to 21/07/2012	1.00	6.17
Liang Yanfeng	Beneficial owner	90,000	20/05/2007 to 19/05/2012	1.00	2.52
		90,000	18/01/2008 to 21/07/2012	1.00	6.17

(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 Madam 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

An unsecured revolving credit facility up to a maximum total principal amount of HK\$100,000,000 with interest rate at prime lending rate for Hong Kong dollars plus 1% per annum granted by a related company in which the Chairman and an executive director of the Company have interests to a wholly owned subsidiary of the Company has been renewed from 1 May 2008 until 30 April 2011 on the same terms.

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 2007, 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 and 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, 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	170,940,028	71.47%

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 claims 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. 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.

6. 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.

7. 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) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.