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SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

CONNECTED TRANSACTION

The Board announces that on 18 March 2010, the Vendor through Estate Agent entered into a provisional agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase one property unit at the development known as “WarrenWoods”.

The Purchaser is regarded connected person (as defined in the Listing Rules) of the Company. Accordingly, the sale of the Property Unit by the Vendor to the Purchaser constitutes a connected transaction for the Company under the Listing Rules. The consideration of the sale of the Property Unit is in the amount of HK\$6,535,000. Since the applicable percentage ratio calculated with reference to the sale of the Property Unit is over 0.1% but less than 2.5%, the sale of the Property Unit is subject to the reporting and announcement requirements, but are exempt from the independent shareholders’ approval requirement under the Listing Rules.

THE AGREEMENT

- Date:** 18 March 2010.
- Vendor:** Warren Investment Properties Limited, an indirect wholly-owned subsidiary of the Company acting through Estate Agent.
- Purchaser:** Mr. Huang Xiaojun.
- Property Unit:** Unit 27A of “WarrenWoods”, a residential unit with a gross floor area of approximately 545 square feet.

- Consideration:** HK\$6,535,000. The consideration was arrived at after arm's length negotiations between the parties based on the prevailing market price for similar property units transacted at the time of negotiations. According to valuation report of the Property Unit dated 18 March 2010 prepared by the Valuer, an independent firm of qualified valuers, based on open market value, the value of the Property Unit was HK\$6,500,000 as of 17 March 2010.
- Payment Terms:**
- (i) An initial deposit of an amount equivalent to 5% of the consideration was paid upon signing the Agreement.
 - (ii) A further deposit of an amount equivalent to 5% of the consideration is payable on or before 23 March 2010.
 - (iii) A part payment of an amount equivalent to 5% of the consideration is payable on or before 22 April 2010.
 - (iv) Another part payment of an amount equivalent to 5% of the consideration is payable on or before 21 June 2010.
 - (v) The balance (i.e. 80%) of the consideration is payable within 14 days from the issue of notice of completion by the Vendor.
- Date of Entering into Formal Agreement for Sale and Purchase** On or before 23 March 2010.
- Completion:** Within 14 days from the issue of notice of completion by the Vendor.

REASON FOR THE SALE OF THE PROPERTY UNIT

“WarrenWoods” is a luxury residential project being developed by the Group. The sale of the Property Unit is in the ordinary course of the business of the Group.

The consideration for the sale of the Property Units was determined following arm’s length negotiations between the Vendor and the Purchaser based on the prevailing market price for similar property units transacted at the time of the negotiations. The proceeds of the sale of the Property Unit will be used as general working capital of the Group. The book value attributable to the Property Unit is approximately HK\$2.1 million as at 31 December 2009. It is expected that the Company will record a net profit of approximately HK\$2.5 million after provision for taxation and other costs and expenses.

The Directors, including the Independent Non-executive Directors, of the Company are of the view that the terms and conditions of the sale and purchase of the Property Unit are fair and reasonable and are in the interests of the shareholders as a whole.

INFORMATION OF THE COMPANY

The Company is an investment holding company with its subsidiaries principally engaged in various lines of business including (i) property assembly; (ii) property leasing; (iii) property development; (iv) property management and building management services; and (v) urban infrastructure development business in the PRC.

INFORMATION OF THE VENDOR

The Vendor is a property development company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company. Its only business activity is the development, ownership and trading of the property interest in the “WarrenWoods” project.

INFORMATION OF ESTATE AGENT

Estate Agent is a real property agency company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. Its principal business activities are providing real property agency services to the Group.

INFORMATION OF THE PURCHASER

The purchaser is a PRC resident and is a connected person of the Company.

IMPLICATION UNDER THE LISTING RULES

The Purchaser is the substantial shareholder of Zhong Xin and a director of Shan Shui Management. Zhong Xin is a company incorporated in the PRC with limited liabilities and the substantial shareholder of Shan Shui Management, a company incorporated in the PRC with limited liabilities and a subsidiary indirectly held by the Company. Therefore, Zhong Xin is the connected person of the Company. Accordingly, the Purchaser is the connected person of the Company. As such, the sale of the Property Unit by the Vendor to the Purchaser constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratio calculated with reference to the sale of the Property Unit is over 0.1% but less than 2.5%, the sale of the Property Unit is subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Agreement”	the provisional agreement for sale and purchase dated 18 March 2010 entered between the Vendor, through Estate Agent, and the Purchaser for the sale and purchase of the Property Unit;
“associate”	the meaning as ascribed thereto in the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	Soundwill Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“connected person”	the meaning as ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Estate Agent”	Soundwill Real Estate Agency Limited, a company incorporated in Hong Kong with limited liabilities and a wholly owned subsidiary indirectly held by the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	Mr. Huang Xiaojun (黃小駿);
“Property Unit”	Unit 27A of “WarrenWoods”;
“Shan Shui Management”	珠海市山水花城物業管理有限公司 (Shan Shui Huacheng Property Management Company Limited)# , a company incorporated in the PRC with limited liabilities and a subsidiary indirectly held by the Company as to 51% equity interest and Zhong Xin as to 49% equity interest;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Valuer”	B.I. Appraisals Limited;
“Zhong Xin”	珠海市斗門忠信興業貿易有限公司 (Zhuhai Doumen Zhong Xin Xingye Trading Company Limited)#, a company incorporated in the PRC with limited liabilities;
“Vendor”	Warren Investment Properties Limited, a company incorporated in Hong Kong with limited liabilities and a wholly owned subsidiary indirectly held by the Company; and
“WarrenWoods”	a luxury residential property development situated at 23 Warren Street, Hong Kong.

the English translation of the Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

By Order of the Board
Soundwill Holdings Limited
Foo Kam Chu Grace
Chairman

Hong Kong, 18 March 2010

As at the date of this announcement, the Board of Directors of the Company comprises (i) Executive Directors: Foo Kam Chu, Grace, Chan Wai Ling, Tse Chun Kong, Thomas, Kong Siu Man, Kenny; (ii) Non-Executive Directors: Liang Yanfeng, Meng Qinghui; and (iii) Independent Non-Executive Directors: Chan Kai Nang, Kwan Kai Cheong and Pao Ping Wing.