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SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 878)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES AND RESUMPTION OF TRADING

PLACING AND TOP-UP SUBSCRIPTION

On 25 May 2011, Ko Bee Limited, the Placing Agent and the Company entered into the Placing and Top-Up Subscription Agreement.

Pursuant to the Placing and Subscription Agreement, Ko Bee Limited has agreed to:

- (i) place, through the Placing Agent, on a best effort basis, a maximum of 10,000,000 Placing Shares held by Ko Bee Limited to the Placees at a price of HK\$12.20 per each Placing Share; and
- (ii) subscribe for such number of Top-Up Subscription Shares equivalent to the number of Placing Shares actually sold by Ko Bee Limited under the Placing at a price of HK\$12.20 per each Top-Up Subscription Share.

The Placing Shares (or the Top-Up Subscription Shares) of up to 10,000,000 Shares represent approximately 3.99% of the total number of issued Shares of 250,914,135 Shares as at the date of this announcement and about 3.83% of the total number of issued Shares of 260,914,135 Shares as enlarged by the allotment and issue of the Top-Up Subscription Shares pursuant to the Top-Up Subscription.

The Placing is unconditional while the Top-Up Subscription is conditional upon (a) completion of the Placing having taken place pursuant to the Placing and Subscription Agreement; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares.

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to increase the general working capital of the Group.

The Directors (including the independent non-executive Directors) consider the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations, to be fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

The Top-Up Subscription Shares will be allotted and issued under the General Mandate.

The net proceeds from the Top-Up Subscription of about HK\$120,700,000 is intended to be used as general working capital of the Group.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares has been suspended on the Stock Exchange from 1:30 p.m. on 24 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 on 26 May 2011.

PLACING AND SUBSCRIPTION AGREEMENT

Date

25 May 2011

Parties

1. The Company
2. Ko Bee Limited
3. The Placing Agent

Ko Bee Limited, a company incorporated in the British Virgin Islands, is solely and beneficially owned by Madam Foo Kam Chu, Grace, the chairman of the Company and an executive Director.

Ko Bee Limited, together with persons acting in concert, has continuously held over 50% of the voting rights of the Company for the past 12 months.

Ko Bee Limited is the controlling shareholder of the Company (within the meaning of the Listing Rules) and was holding 171,872,028 Shares, representing approximately 68.50% of the existing issued share capital of the Company immediately prior to the entering into the Placing and Subscription Agreement.

THE PLACING

Placing Agent

Sun Hung Kai International Limited

Number of Placing Shares

The Placing Agent has agreed to procure, on a best effort basis, the Places for the purchase of a maximum of 10,000,000 existing Shares owned by Ko Bee Limited, representing approximately 3.99% of the total number of issued Shares of 250,914,135 Shares as at the date of this announcement and approximately 3.83% of the total number of issued Shares of 260,914,135 Shares as enlarged by the allotment and issue of the Top-Up Subscription Shares pursuant to the Top-Up Subscription.

Placing Price

HK\$12.20 per each Placing Share.

The Placing Price was agreed after arm's length negotiations between Ko Bee Limited, the Placing Agent and the Company with reference to recent market prices of the Shares and the current market conditions.

The Placing Price represents:

- (i) a discount of approximately 0.813% to the closing price of HK\$12.30 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 2.274% to the average closing price of approximately HK\$12.484 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 2.133% to the average closing price of approximately HK\$12.466 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The total amount of Placing Price for the Placing Shares is HK\$122,000,000.00.

Placees

Under the Placing and Subscription Agreement, the Placing Agent has undertaken to use its best endeavours to ensure that the Placees and (if applicable) their respective ultimate beneficial owner(s) are independent of, and not connected with, the Company or any members of the Group, their respective directors, chief executive or substantial shareholders, or any of their respective associates, and otherwise not connected person of the Company.

It is expected that the Placing Shares will be placed to not less than six Placees on a best effort basis and none of the Placees will become substantial shareholder(s) immediately after the Placing.

Lock-up restriction

The Placing Shares will not be subject to any lock-up or other disposal restrictions under the terms of the Placing and Subscription Agreement.

Rights to the Placing Shares

The Placing Shares will be sold by Ko Bee Limited free from all liens, charges, encumbrances, claims, options and third party rights and together with all rights attaching thereto at the date of completion of the Placing, including the right to receive all future dividends and other distributions declared made or paid on the Placing Shares on or after the date of completion of the Placing.

Placing commission payable to the Placing Agent

The placing commission fee is in the sum equal to HK\$1,000,000 which shall be paid by the Company at the completion of the Placing.

Condition of the Placing

The Placing is unconditional.

Completion

The completion of the Placing will take place on a date on or before 31 May 2011 (or such other time or date as and the parties to the Placing and Subscription Agreement may agree in writing).

TOP-UP SUBSCRIPTION

Subscriber

Ko Bee Limited

Number of Top-Up Subscription Shares

The Company has conditionally agreed to allot and issue, and Ko Bee Limited has conditionally agreed to subscribe for such number of Top-Up Subscription Shares which is equivalent to the number of Placing Shares.

Top-Up Subscription Price

HK\$12.20 per each Top-Up Subscription Share, which is equivalent to the price per each Placing Share.

Ranking of The Top-Up Subscription Shares

The Top-Up Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the issued Shares as at the date of allotment and issue of the Top-up Subscription Shares.

Conditions of the Top-Up Subscription

The Top-Up Subscription is conditional upon:

- (a) completion of the Placing having taken place pursuant to the Placing and Subscription Agreement; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares.

Application for listing

Application will be made by the Company to the Listing Committee for the approval for the listing of, and permission to deal in, the Top-Up Subscription Shares.

Completion of the Top-Up Subscription

Under Rule 14A.31(3)(d) of the Listing Rules, the Top-Up Subscription must be completed within 14 days after the date of the Placing and Subscription Agreement (that is, on or before 8 June 2011).

In the event that the conditions to the Top-Up Subscription are not fulfilled by 8 June 2011 (or such later date as the parties thereto may mutually agree), the Top-Up Subscription will lapse. If the date of completion of the Top-Up Subscription is to be extended beyond 8 June 2011, the Top-Up Subscription will constitute a connected transaction for the Company under the Listing Rules and the Company is required to comply with all requirements in relation to connected transaction under the Listing Rules. In that case, further announcement will be made as and when appropriate.

ISSUE OF TOP-UP SUBSCRIPTION SHARES UNDER THE GENERAL MANDATE

The Top-Up Subscription Shares will be allotted and issued under the General Mandate.

The General Mandate was granted at the AGM. At the AGM, the total number of Shares in issue was 250,914,135. The General Mandate has not been utilized since it was granted at the AGM. Accordingly, the maximum number of new Shares which could be issued pursuant to the General Mandate is 50,182,827 (representing 20% of the issued share capital of the Company as at the date of the AGM). Accordingly, the issue of the Top-Up Subscription Shares is not subject to any approval by the Shareholders.

EFFECT ON SHAREHOLDING STRUCTURE AFTER COMPLETION OF THE PLACING AND THE TOP-UP SUBSCRIPTION

Ko Bee Limited currently holds approximately 68.50% of the Company's existing issued share capital. Assuming the Placing Shares were purchased by the Placees on completion of the Placing, the Placing will reduce the aggregate shareholding of Ko Bee Limited in the Company to approximately 64.51% of the Company's existing issued share capital and the Top-Up Subscription will then increase the shareholding of Ko Bee Limited in the Company to approximately 65.87% of the Company's enlarged share capital. Immediately following the completion of the Placing and the Top-Up Subscription, Ko Bee Limited will remain to be the single largest shareholder of the Company.

The effect on the shareholding structure of the Company after completion of the Placing and the Top-Up Subscription is as follows:

	Immediately before completion of the Placing		Immediately after completion of the Placing but before the Top-Up Subscription		After completion of the Placing and the Top-Up Subscription	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Ko Bee Limited	171,872,028	68.50	161,872,028	64.51	171,872,028	65.87
Madam Foo Kam Chu, Grace	96,602	0.04	96,602	0.04	96,602	0.04
Full Match Limited	818,000	0.33	818,000	0.33	818,000	0.31
Placees	—	0	10,000,000	3.99	10,000,000	3.83
Public Shareholders (excluding the Placees)	<u>78,127,505</u>	<u>31.13</u>	<u>781,127,505</u>	<u>31.13</u>	<u>78,127,505</u>	<u>29.95</u>
Total	<u><u>250,914,135</u></u>	<u><u>100</u></u>	<u><u>250,914,135</u></u>	<u><u>100</u></u>	<u><u>260,914,135</u></u>	<u><u>100</u></u>

REASONS FOR THE PLACING

The Directors consider that it is in the interests of the Company to raise capital from the equity market in order to increase general working capital of the Group, enhance the capital base of the Company.

Taking into account the lower costs and shorter time involved in the Top-up Subscription when compared with other means of equity fund raising exercises such as rights issue or open offer, the Directors believe that the Top-up Subscription is the most appropriate method. Moreover, the Directors expect that the Top-up Subscription will enhance the capital base of the Company, thereby broadening the Company's shareholders base. Accordingly, they consider that the Top-up Subscription is in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations, to be fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The Company will bear the costs and expenses in connection with the Placing and Top-Up Subscription incurred by Ko Bee Limited and itself.

Upon completion of the Placing (assuming that the Placing Shares were placed and purchased in full) and the Top-Up Subscription:

- (i) the gross proceeds from the Top-Up Subscription are estimated to be about HK\$122,000,000;
- (ii) the net proceeds, after deducting related placing commission, professional fees and all related expenses, from the Placing and Top-Up Subscription is about HK\$120,700,000; and
- (iii) the net price per Top-Up Subscription Share is about HK\$12.07.

The net proceeds from the Top-Up Subscription are intended to be used for general working capital of the Group.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The following are the details of the fund raising activity of the Company in the 12 months immediately proceeding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of the proceeds
11 April 2011	Top-up placing of 9,000,000 Shares	Approximately HK\$107,800,000	For general working capital of the Group	Used as intended

GENERAL

The Company is an investment holding company. The Group is principally engaged in property assembly, property development, property leasing and provision of building management services in Hong Kong and urban infrastructure facilities in the People's Republic of China.

SUSPENSION AND RESUMPTION OF TRADING

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MISCELLANEOUS

In the event of inconsistency, the English version of this announcement shall prevail over the Chinese version.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to this term under The Hong Kong Code on Takeovers and Mergers
“AGM”	means annual general meeting of the Company held on 19 May 2011
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	means the board of Directors
“Business Day”	means any day (excluding a Saturday) on which banks generally open for business in Hong Kong
“Company”	means Soundwill Holdings Limited, a company incorporated in Bermuda whose shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	means the director(s) of the Company
“Full Match Limited”	a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Ko Bee Limited
“General Mandate”	means the general mandate granted by the Shareholders to the Directors to allot, issue and otherwise deal with additional Shares not exceeding 20% of the issued share capital of the Company of 250,914,135 Shares as at the date of the AGM (that is, not exceeding 50,182,827 Shares)
“Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	means a party and, if applicable, the ultimate beneficial owner of the party who is independent of, and not connected with, the Company and its connected person(s)
“Ko Bee Limited”	a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Madam Foo Kam Chu, Grace
“Last Trading Day”	means 24 May 2011, being the last trading day immediately prior to the date of the Placing and Subscription Agreement
“Listing Committee”	means the listing committee of the Stock Exchange
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Foo Kam Chu, Grace”	the chairman of the Company and an executive Director
“Placees”	means not less than six independent professional institutional or other investors, who are Independent Third Parties, which subscribe for the Placing Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing”	means the placing of the Placing Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing Agent”	means Sun Hung Kai International Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing and Subscription Agreement”	means the placing and subscription agreement entered into between Ko Bee Limited, the Placing Agent and the Company dated 25 May 2011 in relation to the Placing and the Top-Up Subscription
“Placing Price”	means HK\$12.20 per each Placing Share
“Placing Shares”	means a maximum of 10,000,000 existing Shares beneficially owned by Ko Bee Limited to be placed through the Placing Agent, on a best effort basis, under the Placing

“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means the ordinary share of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	means shareholder(s) of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Top-Up Subscription”	means the subscription of the Top-Up Subscription Shares pursuant to the terms of the Placing and Subscription Agreement
“Top-Up Subscription Price”	means HK\$12.20 per each Top-Up Subscription Share
“Top-Up Subscription Shares”	means such number of new Shares which is equal to the number of Placing Shares actually sold under the Placing (the maximum number being 10,000,000) to be subscribed for by Ko Bee Limited pursuant to the terms of the Placing and Subscription Agreement
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Soundwill Holdings Limited
Tse Wai Hang
Company Secretary

Hong Kong, 25 May 2011

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, Kong Siu Man, Kenny and Tse Wai Hang, and (ii) independent non-executive Directors: Chan Kai Nang, Pao Ping Wing and Ng Chi Keung.