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SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

- (I) CHANGE OF COMPLETION DATE FOR DISCLOSEABLE TRANSACTION;**
- (II) COMPLETION OF DISPOSAL OF TARGET COMPANY; AND**
- (III) DISCLOSEABLE TRANSACTION - PROVISION OF FINANCIAL ASSISTANCE**

CHANGE OF COMPLETION DATE FOR DISCLOSEABLE TRANSACTION

On 5 February 2020, the Seller and the Purchaser entered into the Fifth Supplemental Agreement pursuant to which the parties have agreed to extend the Completion Date to the Fifth Extended Completion Date.

COMPLETION OF DISPOSAL OF TARGET COMPANY

The Board is pleased to announce that the completion of the Disposal contemplated under the Agreement took place immediately after entering into the Fifth Supplemental Agreement on the Fifth Extended Completion Date in accordance with the terms and conditions of the Agreement.

Upon Completion, (i) the Target Group is wholly owned by the Purchaser; and (ii) the Target Group ceases to be a subsidiary of the Company.

PROVISION OF FINANCIAL ASSISTANCE

On 5 February 2020 and before completion of the Disposal, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrowers for the provision of the loan in the sum of HK\$155,282,300, which has been applied towards partial settlement of the Consideration payable to the Seller in the Disposal.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceeds 5% and is below 25%, and is only subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcements of the Company dated 19 July 2018, 28 September 2018, 27 November 2018, 31 January 2019, 28 February 2019 and 31 May 2019 (the “**Announcements**”) in relation to the Disposal of Target Company. Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated.

(I) CHANGE OF COMPLETION DATE

On 5 February 2020, the Seller and the Purchaser entered into the fifth supplemental agreement (the “**Fifth Supplemental Agreement**”) pursuant to which the parties have agreed to extend the Completion Date to 5 February 2020 (the “**Fifth Extended Completion Date**”).

(II) COMPLETION OF DISPOSAL OF TARGET COMPANY

The Board is pleased to announce that the completion of the Disposal contemplated under the Agreement took place immediately after entering into the Fifth Supplemental Agreement on the Fifth Extended Completion Date in accordance with the terms and conditions of the Agreement.

Upon Completion, (i) the Target Group is wholly owned by the Purchaser; and (ii) the Target Group ceases to be a subsidiary of the Company.

(III) PROVISION OF FINANCIAL ASSISTANCE

On 5 February 2020 and before completion of the Disposal, the Lender, an indirectly wholly-owned subsidiary of the Company, entered into a loan agreement (the “**Loan Agreement**”) with the Borrowers for the provision of the loan in the sum of HK\$155,282,300, which has been applied towards partial settlement of the Consideration payable to the Seller in the Disposal. A summary of the Loan Agreement is set out below:-

Loan Agreement:	A facility letter dated 5 February 2020 issued by the Lender and accepted by the Borrowers.
Lender:	Ease Choice Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, is principally engaged in money lending business.
Borrowers:	(1) ZHANG Yu (as 1 st Borrower); and (2) CHIN Yau Cheung (as 2 nd Borrower), being two of the beneficial owners of the Purchaser.
Loan:	HK\$155,282,300
Drawdown:	To be drawn on date of Loan Agreement and the completion of the Disposal. The Loan will be paid or credited direct to the Seller (or entity nominated by the Seller).
Condition Precedent:	The Lender is satisfied that the Purchaser is in the position to complete the Disposal with the Seller.

Repayment: The Borrowers shall repay (i) not less than HK\$45,000,000 within three (3) months after Drawdown, and (ii) the remaining balance in one lump sum on or before the day one (1) year after Drawdown, together with all accrued interest (and rounded up, where necessary, to the nearest dollar).

Interest rate: 8% per annum from the date of Drawdown up to the date of Repayment.

If the Borrowers repay HK\$45,000,000 within 45 days after Drawdown, interest accrued on that HK\$45,000,000 will be waived.

REASONS AND BENEFITS OF THE FINANCIAL ASSISTANCE

The Loan Agreement aimed to provide short term loan facilities to enable the Purchaser to pay the Consideration and to complete the Disposal with the Seller. The Directors consider that the completion of the Disposal provides an opportunity for the Company to realize its investment, and makes positive contribution to the cash flow and financial position of the Group notwithstanding the negative impact on cash flow brought by the provision of the financial assistance.

The provision of financial assistance to the Borrowers is in the ordinary course of business of the Lender and on normal commercial terms and is arrived at arm's length negotiations. The Directors consider that the terms of the Loan Agreement are fair and reasonable and with the benefit of completing the Disposal are in the best interest of the Company and its 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 property assembly; property leasing; property development and provision of building management services in Hong Kong and property development in the PRC.

INFORMATION ON THE PARTIES

The Lender is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

The 1st Borrower and 2nd Borrower are merchants and two of the beneficial owners of the Purchaser. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrowers are third parties independent of the Company and its Connected Persons.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceeds 5% and is below 25%, and is only subject to the reporting and announcement requirements under the Listing Rules.

By Order of the Board
SOUNDWILL HOLDINGS LIMITED
Foo Kam Chu Grace
Chairman

Hong Kong, 5 February 2020

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 and Tse Wai Hang; and (ii) Independent Non-Executive Directors: Chan Kai Nang, Pao Ping Wing and Ng Chi Keung.

**For identification purpose only*