



SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

ANNOUNCEMENT

The Board of Directors (the “Board”) of Soundwill Holdings Limited (the “Company”) refers to the property related litigation (the “Litigation”) involving its wholly owned subsidiary, Pacific Well Realty Limited (“Pacific Well”) as the Defendant and Chung To Chinese Products Company Limited (“Chung To”) as the Plaintiff and wish to announce the judgement (the “Judgement”) of the Litigation.

The Board refers to the Litigation commenced in 1998 relating to the purchase of certain properties in Yuen Long by Pacific Well from Chung To as published in the annual and interim reports of the Company, the agreement of which was entered into in June 1997 for a total consideration of HK\$200,000,000 of which HK\$65,000,000 has been paid as deposit and part payment and which agreement was rescinded in May 1998 and as a result of which Chung To claimed for damages of HK\$35,000,000 together with interest and costs.

Pursuant to Rule 13.09 of the Rules Governing The Listing of Securities on The Stock of Exchange of Hong Kong Limited, the Board announces that the Judgement has been handed down by the High Court on 14 October 2004 whereby it was ordered that out of the said sum of HK\$65,000,000 paid, Chung To was entitled to forfeit HK\$20,000,000 and has to refund the balance of HK\$45,000,000 to Pacific Well together with interest thereon at the rate of 1% above the prime rate per annum from 8 May 1998 until 14 October 2004 and thereafter at the usual rate for judgement debts and costs less the amount payable by Pacific Well to Chung To in accordance with the terms of the supplemental agreement entered into on 31 March 1998 by way of interest and outgoings (including Government rent, management fees and rates) calculated from 31 March 1998 until, as advised by the legal adviser of Pacific Well, the date of rescission on 8 May 1998.

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

Hong Kong, 15 October 2004

As at the date of this announcement, the Board comprises of (1) Executive Directors : Foo Kam Chu, Grace, Chan Wai Ling, Tse Chun Kong, Thomas, Kwan Chai Ming; (2) Non-Executive Directors : Liu Hanbo, Meng Qinghui; and (3) Independent Non-Executive Directors: Heng Kwoo Seng, Kwan Kai Cheong and Ho Suk Yin.

*Please also refer to the published version of this announcement in the (**The Standard**)*