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SOUNDWILL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 878)

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

PLACING AGENT

GREAT HONEST INVESTMENT COMPANY LIMITED

On 2 November, 2005, the Vendor entered into the Top-Up Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively.

Pursuant to the Top-Up Placing Agreement, the Vendor agreed to place, through the Placing Agent, an aggregate of 15,000,000 existing Shares, on best efforts basis, to not less than six independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners (i) are not connected persons (as defined in Listing Rules) of the Company; and (ii) are independent of the Company and its connected persons (as defined under the Listing Rules) and other places at a price of HK\$1.95 per Share.

Pursuant to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 15,000,000 Shares at a price of HK\$1.95 per Share.

The Top-Up Placing Shares (or the Top-Up Subscription Shares) of 15,000,000 Shares represent (i) about 9.09% of the existing issued share capital of the Company of 165,053,439 Shares; and (ii) about 8.33% of the issued share capital of the Company of 180,053,439 Shares as enlarged by the Top-Up Subscription.

The Top-Up Placing Price (and the Top-Up Subscription Price) is fixed on 2 November, 2005, being the Last Trading Day. The Top-Up Placing Price (and the Top-Up Subscription Price) of HK\$1.95 represents:

- (i) a discount of about 2.5% to the closing price of HK\$2.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of about 1.86% to the average closing price per Share of HK\$1.987 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 about 4.69% to the average closing price per Share of HK\$2.046 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Top-Up Subscription is conditional upon, among other things, (1) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Top-Up Subscription Shares and (2) the completion of the Top-Up Placing. The net proceeds from the Top-Up Subscription of about HK\$28,350,000 will be applied as to (i) approximately HK\$12,000,000 for future business development of the Group; and (ii) approximately HK\$16,350,000 for use as general working capital.

THE TOP-UP PLACING AGREEMENT

Date

2 November, 2005

Parties involved

The Placing Agent and the Vendor

Placing Agent

Great Honest Investment Company Limited is the Placing Agent and will receive a placing commission of 2.0% on the gross proceeds of the Top-Up Placing paid by the Company, which was arrived at after arm's length negotiations between the Company and the Placing Agent. The Placing Agent and its ultimate beneficial owners are not connected persons (as defined in Listing Rules) of the Company and are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Placees

Not less than six placees who are independent individual, corporate and/or institutional investors, and who and whose ultimate beneficial owners (i) are not connected persons (as defined in Listing Rules) of the Company; and (ii) are independent of the Company and its connected persons (as defined under the Listing Rules) and other placees.

Top-Up Placing Price

The Top-Up Placing Price is fixed on 2 November, 2005, being the Last Trading Day. The Top-Up Placing Price (and the Top-Up Subscription Price) of HK\$1.95 represents:

- (i) a discount of about 2.5% to the closing price of HK\$2.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of about 1.86% to the average closing price per Share of HK\$1.987 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 about 4.69% to the average closing price per Share of HK\$2.046 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Top-Up Placing Price is negotiated on an arm's length basis amongst the Vendor, the Company and the Placing Agent. The Directors consider that the terms of the Top-Up Placing are fair and reasonable based on the current market conditions and the Top-Up Placing is in the interests of the Company and its Shareholders as a whole.

Top-Up Placing Shares

The Top-Up Placing Shares of 15,000,000 Shares represent (i) about 9.09% of the existing issued share capital of the Company of 165,053,439 Shares; and (ii) about 8.33% of the issued share capital of the Company of 180,053,439 Shares as enlarged by the Top-Up Subscription.

Condition of the Top-Up Placing

The Top-Up Placing is unconditional.

Completion

The Top-Up Placing is to be completed on 4 November, 2005 or on such other date as may be agreed between the Vendor and the Placing Agent.

THE TOP-UP SUBSCRIPTION AGREEMENT

Date

2 November, 2005

Parties involved

The Company and the Vendor

Top-Up Subscription Price

The Top-Up Subscription Price is HK\$1.95 per Share. The Top-Up Subscription Price is the same as the Top-Up Placing Price and is determined after arm's length negotiation amongst the Company, the Vendor and the Placing Agent with reference to the Top-Up Placing Price of the Top-Up Placing Shares.

Number of Top-Up Subscription Shares

The number of Top-Up Subscription Shares is equivalent to the number of Top-Up Placing Shares, being 15,000,000 Shares.

Ranking of Top-Up Subscription Shares

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

Conditions

The Top-Up Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Top-Up Subscription Shares and (ii) completion of the Top-Up Placing.

Application will be made to the Stock Exchange to grant the approval for the listing of, and permission to deal in, the Top-Up Subscription Shares.

Completion

Under Rule 14A31(3)(d) of the Listing Rules, the Top-Up Subscription must be completed within 14 days after the date of the Top-Up Subscription Agreement, that is, on or before 16 November, 2005.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 14 November, 2005 (or such later date as the parties thereto may mutually agree), the rights and obligations of the parties under the Top-Up Subscription Agreement shall lapse and be of no further effect, in which event the parties thereto shall be released from such obligations without any liability save as to any antecedent breach and provided that any right or remedies which shall have accrued shall not be prejudiced or affected.

EFFECTS ON SHAREHOLDING STRUCTURE

Name of Shareholders	Existing no. of shares held	Approximate %	No. of shares held after Top- up Placing but Before Top-up Subscription		No. of shares held after Top- up Placing and Subscription		Approximate %
			Approximate %	Approximate %	Approximate %	Approximate %	
Vendor	114,615,035	69.44	99,615,035	60.35	114,615,035	63.66	
Mrs. Chan	96,000	0.06	96,000	0.06	96,000	0.05	
Mr. Tse	6,723	0.00	6,723	0.00	6,723	0.00	
COSCO	7,937,664	4.81	7,937,664	4.81	7,937,664	4.41	
Public	42,398,017	25.69	42,398,017	25.69	42,398,017	23.55	
			(Public excluding placees)		(Public excluding placees)		
			15,000,000		15,000,000		
			(placees)	9.09	(placees)	8.33	
Total	<u>165,053,439</u>	<u>100.00</u>	<u>165,053,439</u>	<u>100.00</u>	<u>180,053,439</u>	<u>100.00</u>	

Note : The entire issued share capital of the Vendor is held by Mrs. Chan.

REASONS FOR THE TOP-UP PLACING AND TOP-UP SUBSCRIPTION AND USE OF PROCEEDS

The Directors considered various ways of raising funds and consider that the Top-Up Placing and Top-Up Subscription represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

The gross proceeds from the Top-Up Subscription is HK\$29,250,000. The net proceeds from the Top-Up Subscription of approximately HK\$28,350,000 will be applied for as to (i) approximately HK\$12,000,000 for future business development of the Group; and (ii) approximately HK\$16,350,000 for use as general working capital.

The net proceeds raised per Top-Up Subscription Share will be about HK\$1.89 per Shares. The Company will bear aggregate expenses and costs of about HK\$900,000 incurred in relation to the Top-Up Placing and the Top-Up Subscription.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

Date of announcement	Event	Counterparty	Discount/ premium/ to the market price	Proceeds	Intended use of proceeds (approximate)	Actual use of proceeds as at the date of this announcement (approximate)
11 January 2005	Placing of 10,000,000 existing Shares at HK\$2.70 per Share and subscription of 10,000,000 new Shares at HK\$2.70 per Share	the Vendor	a discount of around 9.24% to the closing price of HK\$2.975 per Share as quoted on the Stock Exchange on 7 January 2005 and a premium of around 0.56% over the average closing price of HK\$2.685 per Share for the last 10 trading days up to and including 7 January 2005.	HK\$27 million. The proceeds was satisfied by cash payment	HK\$8 million for future business development; HK\$16 million for repayment of part of the short term borrowings; and HK\$2 million for general working capital of the Group	HK\$8 million was used for future business development; HK\$16 million was used for repayment of part of the short term borrowings; HK\$2 million was used for general working capital of the Group

Save as aforesaid, the Company has not conducted any equity fund raising activities in the past twelve-month period immediately before the date of this announcement.

GENERAL MANDATE

The Top-Up Subscription Shares, i.e. 15,000,000 Shares will be issued under the general mandate (“General Mandate”) to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting (the “AGM”) of the Company held on 30 May, 2005 subject to the limit up to 20% of the issued share capital of the Company as at the date of passing the resolution at the AGM (i.e. 32,989,564 Shares). As at the date of this announcement, no Shares has been issued under the General Mandate. After completion of the Top-Up Placing, there are 17,989,564 Shares which may be allotted and issued pursuant to the General Mandate.

GENERAL

The principal activities of the Group are property development, property leasing and provision of building management services.

The Company will submit an application to the Stock Exchange for the listing of, and permission to deal in the Top-Up Subscription Shares pursuant to the Top-up Subscription Agreement.

TERMS AND DEFINITION

“Board”	The board of directors of the Company
“COSCO”	China Ocean Shipping (Group) Company
“Company”	Soundwill Holdings Limited, the shares of which are listed on the Stock Exchange

“Director(s)”	director(s) of the Company
“Existing Shares”	An aggregate of 165,053,439 existing Shares, of which 114,615,035 existing Shares are beneficially owned by the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	2 November, 2005, being the last trading day for the Shares prior to this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mrs. Chan”	Foo Kam Chu Grace, chairman of the Company
“Mr. Tse”	Tse Chun Kong Thomas, executive Director of the Company
“Placing Agent”	Great Honest Investment Company Limited, a deemed licensed corporation to carry out type 1 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Placing”	the placing of 15,000,000 existing Shares beneficially owned by the Vendor pursuant to the terms of Top-Up Placing Agreement
“Top-Up Placing Agreement”	the placing agreement between the Vendor and the Placing Agent dated 2 November, 2005 in relation to the Top-Up Placing
“Top-Up Placing Price”	HK\$1.95 per Share
“Top-Up Placing Shares”	An aggregate of 15,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Top-Up Placing Agreement
“Top-Up Subscription”	the subscription of 15,000,000 new Shares pursuant to the terms of Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement between the Vendor and the Company dated 2 November, 2005 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$1.95 per Share
“Top-Up Subscription Shares”	A total of 15,000,000 new Shares to be subscribed for by the Vendor pursuant to the Top-Up Subscription Agreement

“Vendor”	Ko Bee Limited, a company incorporated in British Virgin Islands, the registered office of which is at the Offices of Offshore Incorporations Limited, P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, the British Virgin Islands and the entire issued share capital of which is beneficially owned by Madam Foo Kam Chu Grace, the chairman of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 2 November, 2005

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 Kwo Seng, Kwan Kai Cheong and Ho Suk Yin.

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