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SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 878)

MAJOR TRANSACTION DISPOSAL OF PROPERTIES

On 20 October 2006, the Vendor entered into the Agreement with the Purchaser for the sale and purchase of the Properties. The consideration for the Disposal of the Properties shall be HK\$245,000,000 payable by cash.

The transaction contemplated under the Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to Shareholders' approval under Rule 14.40 of the Listing Rules. As none of the Shareholders is interested in the Disposal, none of the Shareholders are required to abstain from voting in respect of the Disposal, and the written shareholders' approval was obtained from the Controlling Shareholder on 20 October 2006 approving the Disposal in lieu of holding a general meeting in accordance with Rule 14.44 of the Listing Rules. A circular of the Company in relation to the Disposal will be despatched to the Shareholders as soon as reasonably practicable.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 23 October 2006 pending issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 24 October 2006.

AGREEMENT FOR SALE AND PURCHASE OF PROPERTIES DATED 20 OCTOBER 2006

Vendor : Rise Champion Holdings Limited

Purchaser : Better Chance International Limited

Summary : The Agreement (as further supplemented by an agreement of even date) was entered into between the Purchaser and the Vendor pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Properties. The consideration for the Disposal of the Properties by the Vendor shall be HK\$245,000,000 payable by cash. The Agreement is legally binding on the Vendor and the Purchaser.

The initial deposit and part payment being HK\$24,500,000 has been paid to the Vendor upon signing of the Agreement. A further deposit of HK\$49,000,000 and part payment of the consideration shall be payable to the Vendor on 31 October 2006. The remaining consideration for the purchase of the Properties being HK\$171,500,000 shall be payable to the Vendor on or before completion. The Disposal is expected to be completed on or before the Completion Date.

Upon completion, the Vendor shall leave with its solicitors a sum of HK\$15,000,000 to be held by its solicitors as stakeholder and will be released when the Purchaser shall have vacant possession of all the Properties.

To the best knowledge of the Directors and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner and their respective associates do not hold any shareholding interests in and do not have any relationship with the Company or any of its associates, and are third parties independent of the Company and connected persons of the Company.

CONDITION TO BE SATISFIED BY THE VENDOR

Completion of Disposal shall be conditional upon the approval by the Shareholders having been obtained in accordance with Rule 14.44 of the Listing Rules.

In the event that such condition shall not have been fulfilled on or before 5:00 p.m. on one working day (Monday to Saturday) immediately prior to the Completion Date, the Completion Date shall be automatically postponed to the 3rd Business Day immediately following the date on which the condition shall have been fulfilled but in any event not later than 19 January 2007.

As at the date of this announcement, such Shareholders' approval was obtained by way of written approval of the Controlling Shareholder on 20 October 2006.

COMPLETION

Subject to the satisfaction of the above condition, the completion of the Disposal shall take place on or before the Completion Date.

REASONS FOR AND BENEFITS OF THE DISPOSAL OF THE PROPERTIES

The Properties are located in Causeway Bay, Hong Kong and were acquired by the Group during the period from August 2004 to October 2006. Except the 6th Property which is vacant, most of the units of the Properties are leased to third parties. The aggregate site area of the Properties is approximately 5,130 square feet.

In light of the substantial gain expected to be generated from the Disposal, the Directors consider that it is an opportunity for the Group to realize its investments in the property market. The Group purchased the Properties at a cost of HK\$141,000,000 in aggregate.

Based on such acquisition costs, the expected net gain accrued to the Group upon completion of the Disposal will approximately be HK\$102,000,000 after taking into account selling and other expenses payable by the Group in relation to the Disposal of approximately HK\$2,000,000. The Group intends to use the sale proceeds from the Disposal of approximately HK\$65,000,000 for settlement of bank loans and the balance for general working capital of the Group.

The gross rental income attributable to part of the Properties with tenancies are approximately HK\$67,500 and HK\$220,600 for the two financial years ended 31 December 2005 respectively. The net rental income attributable to part of the Properties with tenancies are approximately HK\$60,000 and HK\$181,000 for the two financial years ended 31 December 2005 respectively.

The book value of the Properties as at 31 December 2005 was HK\$141,000,000.

The Directors confirm that the consideration for the Properties has been determined after arm's length negotiations between the parties by reference to the market value of similar properties in the same location. The valuation of the Properties by DTZ Debenham Tie Leung Limited, an independent professional valuer with valuation date as at 19 October 2006 was approximately HK\$202,000,000 with reference to the comparable market price. The consideration of the Disposal is at 21.3% premium as compared to such value. The Directors considered that the Disposal at such premium is a good opportunity for the Group to realize its investments.

The Directors are of the view that the Disposal is in the interest of the Company and the terms of the Agreement and the consideration are fair and reasonable in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE PURCHASER

The Company

The Company is an investment holding company. The Group is principally engaged in property development, property leasing and provision of building management services in Hong Kong and infrastructure facilities in the PRC.

The Purchaser

Better Chance International Limited is an investment holding company incorporated in Hong Kong with limited liabilities.

To the best knowledge of the Directors and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner and their respective associates do not hold any shareholding interests in and do not have any relationship with the Company or any of its associates, and are third parties independent of the Company and connected persons of the Company.

GENERAL

The transaction contemplated under the Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to Shareholders' approval under Rule 14.40 of the Listing Rules. As none of the Shareholders is interested in the Disposal, none of the Shareholders are required to abstain from voting in respect of the Disposal, and the written shareholders' approval was obtained from

the Controlling Shareholder on 20 October 2006 approving the Disposal in lieu of holding a general meeting in accordance with Rule 14.44 of the Listing Rules. A circular of the Company in relation to the Disposal will be despatched to the Shareholders as soon as reasonably practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 23 October 2006 pending issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 24 October 2006.

DEFINITIONS

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

“Agreement”	the agreement dated 20 October 2006 in relation to the sale and purchase of the Properties entered into between the Vendor and the Purchaser
“Board”	the board of Directors
“Business Day(s)”	any day on which licensed banks are opened for clearance and advancement of loans in Hong Kong
“Company”	Soundwill Holdings Limited, a limited liability company incorporated in Bermuda, the Shares of which are listed on the Stock Exchange (stock code 878)
“Completion Date”	27 December 2006 between 10:00 a.m. and 5:00 p.m. for a weekday and between 10:00 a.m. and 1:00 p.m. for a Saturday provided that the Vendor can advance this to 15 December 2006 by giving to the Purchaser at least 15 days advance notice in writing
“Controlling Shareholder”	Ko Bee Limited, a company incorporated in British Virgin Islands which owns 156,783,709 Shares, representing 70.41% of the issued share capital of the Company and the ultimate beneficial owner of which is Madam Foo Kam Chu Grace, the chairman of the Company
“Disposal”	the proposed disposal of the Properties by the Vendor to the Purchaser pursuant to the Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	the 1st Property, the 2nd Property, the 3rd Property, the 4th Property, the 5th Property, the 6th Property and the 7th Property, all of which, according to the occupation permits, are for residential purposes

“PRC”	the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Better Chance International Limited, a company incorporated in Hong Kong with limited liability
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Rise Champion Holdings Limited, a company incorporated in Hong Kong with limited liability, which is a wholly owned indirect subsidiary of the Company
“%”	per cent.
“1st Property”	properties located on No. 8 Lin Fa Kung Street West
“2nd Property”	properties located on No. 10 Lin Fa Kung Street West
“3rd Property”	properties located on No. 12 Lin Fa Kung Street West
“4th Property”	the 1st floor, 2nd floor, 3rd floor, 4th floor and shop C on the ground floor of the properties located on No. 98 Tung Lo Wan Road
“5th Property”	properties located on No. 100 Tung Lo Wan Road
“6th Property”	shop A on the ground floor of the properties located on No. 98 Tung Lo Wan Road, the capacity of the Vendor in which is a confirmor
“7th Property”	shop B on the ground floor of the properties located on No. 98 Tung Lo Wan Road, the capacity of the Vendor in which is a confirmor

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

Hong Kong, 23 October 2006

As at the date of this announcement, the Board of Directors of the Company comprise (i) Executive Directors: Foo Kam Chu Grace, Chan Wai Ling, Tse Chun Kong Thomas, Kwan Chai Ming; (ii) Non-Executive Directors: Liu Hanbo, Meng Qinghui; and (iii) 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 Standard**.*