

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



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 11 April 2011, Ko Bee Limited entered into the Placing Agreement 1, the Placing Agreement 2 and the Placing Agreement 3 with the 1st Placee, the 2nd Placee and the 3rd Placee respectively.

Pursuant to the Placing Agreement 1, Ko Bee Limited has agreed to sell 562,000 Shares to the 1st Placee at a price of HK\$12.00 per each Placing Share.

Pursuant to the Placing Agreement 2, Ko Bee Limited has agreed to sell 376,000 Shares to the 2nd Placee at a price of HK\$12.00 per each Placing Share.

Pursuant to the Placing Agreement 3, Ko Bee Limited has agreed to sell 8,062,000 Shares to the 3rd Placee at a price of HK\$12.00 per each Placing Share.

On 11 April 2011, Ko Bee Limited has entered into the Top-Up Subscription Agreement with the Company. Pursuant to the Top-Up Subscription Agreement, Ko Bee Limited has agreed to subscribe for 9,000,000 Shares (equivalent to the number of Placing Shares actually sold by Ko Bee Limited under the Placing Agreements) at a price of HK\$12.00 per each Top-Up Subscription Share.

The Placing Shares (or the Top-Up Subscription Shares) of up to 9,000,000 Shares represent about 3.73% of the issued share capital of the Company of 241,584,135 Shares as at the date of this announcement and about 3.59% of the issued share capital of the Company of 250,584,135 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 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 Agreement and the Top-Up 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\$107,800,000 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 11 April 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 a.m. on 12 April 2011.

THE PLACING AGREEMENT 1

Date

11 April 2011

Parties

1. Ko Bee Limited, the vendor
2. The 1st Placee, the purchaser

Number of Placing Shares

Pursuant to the Placing Agreement 1, Ko Bee Limited has agreed to sell and the 1st Placee has agreed to purchase 562,000 Shares at a price of HK\$12.00 per each Placing Share.

Condition of the Placing Agreement 1

The Placing Agreement 1 is unconditional.

Completion of the Placing Agreement 1

The completion of the Placing Agreement 1 will take place on or before 19 April 2011 (or such other time or date as and the parties to the Placing Agreement 1 may agree).

THE PLACING AGREEMENT 2

Date

11 April 2011

Parties

1. Ko Bee Limited, the vendor
2. The 2nd Placee, the purchaser

Number of Placing Shares

Pursuant to the Placing Agreement 2, Ko Bee Limited has agreed to sell and the 2nd Placee has agreed to purchase 376,000 Shares at a price of HK\$12.00 per each Placing Share.

Condition of the Placing Agreement 2

The Placing Agreement 2 is unconditional.

Completion of the Placing Agreement 2

The completion of the Placing Agreement 2 will take place on or before 19 April 2011 (or such other time or date as and the parties to the Placing Agreement 2 may agree).

THE PLACING AGREEMENT 3

Date

11 April 2011

Parties

1. Ko Bee Limited, the vendor
2. The 3rd Placee, the purchaser

Number of Placing Shares

Pursuant to the Placing Agreement 3, Ko Bee Limited has agreed to sell and the 3rd Placee has agreed to purchase 8,062,000 Shares at a price of HK\$12.00 per each Placing Share.

Condition of the Placing Agreement 3

The Placing Agreement 3 is unconditional.

Completion of the Placing Agreement 3

The completion of the Placing Agreement 3 will take place on or before 19 April 2011 (or such other time or date as and the parties to the Placing Agreement 3 may agree).

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

Ko Bee Limited is the controlling shareholder (within the meaning of the Listing Rules) of the Company and was holding 171,872,028 Shares, representing about 71.14% of the existing issued share capital of the Company immediately prior to the entering into the Placing Agreement and the Top-Up Subscription Agreement.

The Placing Price

HK\$12.00 per each Placing Share.

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

The Placing Price represents:

- (i) a discount of approximately 0.826% to the closing price of HK\$12.10 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 0.695% to the average closing price of approximately HK\$12.084 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 premium of approximately 0.05% to the average closing price of approximately HK\$11.994 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 the Placing Price for the Placing Shares is HK\$108,000,000.

Placees

The Placees are funds or trust which are managed by the same fund manager, which is Argyle Street Management Limited.

The Directors have obtained confirmation from each Placee confirming that each Placee and their ultimate beneficial owners:

- (a) are independent of and not connected with Ko Bee Limited and/or the Company, its directors, chief executive and substantial shareholders and/or any subsidiary of the Company, or any of their respective associates and the purchaser of the Placing Shares are not directly or indirectly funded or backed by the Company or any connected person of the Company; and
- (b) are not a person who is accustomed to take instructions from or acting in concert with Ko Bee Limited or the Company or a connected person of the Company in relation to the acquisition, disposal, voting or any other disposition of securities in the Company.

Upon the completion of the Placing, it is expected that none of the Placees will become a substantial Shareholders (as defined under the Listing Rules).

Lock-up restriction

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

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.

THE TOP-UP SUBSCRIPTION AGREEMENT

Subscriber

Ko Bee Limited

Number of the Top-Up Subscription Shares

The Company has conditionally agreed to allot and issue, and Ko Bee Limited has conditionally agreed to subscribe for the Top-Up Subscription Shares, having an aggregate nominal value of HK\$900,000, which is equivalent to the number of Placing Shares.

The Top-Up Subscription Price

HK\$12.00 per each Top-Up Subscription Share, which is equivalent to the price per each Placing Share and was determined after arm's length negotiation between the Company and Ko Bee Limited with reference to the Placing Price. The aggregate amount of the Top-Up Subscription Price will be settled by Ko Bee Limited by way of cash on completion of the Top-Up Subscription.

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 Agreements;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares.

The Top-Up Subscription Agreement does not provide either party with the rights to waive the above conditions.

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 Top-Up Subscription Agreement (that is, on or before 25 April 2011).

In the event that the conditions to the Top-Up Subscription are not fulfilled by 25 April 2011 (or such later date as the parties thereto may mutually agree), the obligations and liabilities of Ko Bee Limited and the Company under the Top-Up Subscription shall be null and void and Ko Bee Limited and the Company shall be released from all rights and obligations pursuant to the Top-Up Subscription unless Ko Bee Limited and the Company agree in writing to extend the date of the completion of the Top-Up Subscription. If the date of completion of the Top-Up Subscription is to be extended beyond 25 April 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 the requirements in relation to connected transaction under the Listing Rules. In that case, further announcement will be made as and when appropriate.

ISSUE OF THE 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 240,434,135. 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 48,086,827 (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 about 71.14% 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 67.42% 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 about 68.59% 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		Immediately after completion of		After completion of the Placing	
	of the Placing		the Placing but before the Top-	Up Subscription	and the Top-Up Subscription	
	Shares	%	Shares	%	Shares	%
Ko Bee Limited	171,872,028	71.14	162,872,028	67.42	171,872,028	68.59
Madam Foo Kam Chu, Grace	96,602	0.04	96,602	0.04	96,602	0.04
Full Match Limited	770,000	0.32	770,000	0.32	770,000	0.31
Placees	—	0	9,000,000	3.72	9,000,000	3.59
Public Shareholders (excluding the Placees)	68,845,505	28.50	68,845,505	28.50	68,845,505	27.47
Total	241,584,135	100	241,584,135	100	250,584,135	100

REASONS FOR THE PLACING

The Directors have considered various ways of raising funds and consider that the Placing and the Top-Up Subscription represent a suitable opportunity to raise capital for the Company and enlarge the equity 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 equity base of the Company, thereby broadening the Company's shareholders base.

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 based on the current market conditions and the Placing and the Top-Up Subscription 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 the Top-Up Subscription incurred by Ko Bee Limited and itself.

Upon completion of the Placing and the Top-Up Subscription:

- (i) the gross proceeds from the Top-Up Subscription are estimated to be about HK\$108,000,000;
- (ii) the net proceeds, after deducting related professional fees and all related expenses, from the Placing and Top-Up Subscription is about HK\$107,800,000; and
- (iii) the net price per Top-Up Subscription Share is about HK\$11.98.

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 Company has not undertaken any fund raising activities within 12 months immediately prior to the date of this announcement.

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.

MISCELLANEOUS

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

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 11 April 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 a.m. on 12 April 2011.

DEFINITIONS

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

“1st Placee”	means ASM Asia Recovery (Master) Fund, a limited liability company incorporated in the Cayman Islands whose investment manager is Argyle Street Management Limited
“2nd Placee”	means ASM Hudson River Fund, a limited liability company incorporated in the Cayman Islands whose investment manager is Argyle Street Management Limited
“3rd Placee”	means ASM Co-Investment Opportunity Trust I LP, an exempted limited partnership established in the Cayman Islands whose investment manager is Argyle Street Management Limited
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“AGM”	means annual general meeting of the Company held on 1 June 2010
“associate(s)”	has the meaning ascribed to it under 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 under the Listing Rules
“Director(s)”	means the director(s) of the Company
“Madam Foo Kam Chu, Grace”	Chairman of the Company and an executive Director
“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 240,434,135 Shares as at the date of the AGM (that is, not exceeding 48,086,827 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 8 April 2011, being the last trading day immediately prior to the date of the Top-Up 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
“Placees”	means the 1st Placee, the 2nd Placee and the 3rd Placee
“Placing”	means the placing of the Placing Shares pursuant to the terms of the Placing Agreements
“Placing Agreement 1”	means the placing agreement entered into between Ko Bee Limited and the 1st Placee dated 11 April 2011 in relation to the sale and purchase of 562,000 Shares by Ko Bee Limited to the 1st Placee
“Placing Agreement 2”	means the placing agreement entered into between Ko Bee Limited and the 2nd Placee dated 11 April 2011 in relation to the sale and purchase of 376,000 Shares by Ko Bee Limited to the 2nd Placee
“Placing Agreement 3”	means the placing agreement entered into between Ko Bee Limited and the 3rd Placee dated 11 April 2011 in relation to the sale and purchase of 8,062,000 Shares by Ko Bee Limited to the 3rd Placee
“Placing Agreements”	means the Placing Agreement 1, the Placing Agreement 2 and the Placing Agreement 3
“Placing Price”	means HK\$12.00 per each Placing Share

“Placing Shares”	means 9,000,000 existing Shares beneficially owned by Ko Bee Limited (being the aggregate number of Shares to be sold by Ko Bee Limited to the Placees under the Placing Agreements)
“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
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers
“Top-Up Subscription”	means the subscription of the Top-Up Subscription Shares pursuant to the terms of the Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	means the top-up subscription agreement entered into between Ko Bee Limited and the Company dated 11 April 2011 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	means HK\$12.00 per each Top-Up Subscription Share
“Top-Up Subscription Shares”	means 9,000,000 Shares which is equal to the number of Placing Shares actually sold under the Placing Agreements to be subscribed for by Ko Bee Limited pursuant to the terms of the Top-Up Subscription Agreement
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“%”	means per cent.

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

Hong Kong, 11 April 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; (ii) non-executive Directors: Liang Yanfeng and Meng Qinghui; and (iii) independent non-executive Directors: Chan Kai Nang, Pao Ping Wing and Ng Chi Keung.