

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



SOUNDWILL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 878)

MAJOR TRANSACTION DISPOSAL OF PROPERTIES

On 18 April 2007, the Vendors entered into the Agreement with the Purchaser for the sale and purchase of the Properties. The consideration for the Disposal of the Properties is HK\$230 million 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 18 April 2007 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 19 April 2007 pending issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 April 2007.

AGREEMENT FOR SALE AND PURCHASE OF PROPERTIES DATED 18 APRIL 2007

Vendors : 1st Vendor – Wealth Sky Properties Limited

2nd Vendor – Soundwill (Chongqing) Limited

Purchaser : Shun Ho Real Estate Limited

Summary : The Agreement was entered into between the Purchaser and the Vendors pursuant to which the 1st Vendor has agreed to sell and the Purchaser has agreed to purchase the 1st Property and the 2nd Vendor has agreed to sell and the Purchaser has agreed to purchase the 2nd Property. The aggregate consideration for the Disposal of the Properties shall be HK\$230 million payable by cash.

The initial deposit and part payment being HK\$5 million has been paid to the Vendors upon signing of the Agreement. A further deposit and part payment being HK\$18 million shall be paid to the Vendors on 2 May 2007 (the date falling 14 days after the date of Agreement). The remaining consideration for the purchase of the Properties being HK\$207 million shall be payable to the Vendors upon completion. The Disposal is expected to be completed on or before the Completion Date.

Upon completion, the Vendors shall leave with their solicitors a sum of HK\$15 million to be held by their solicitors as stakeholder and will be released (together with interest accrued thereon) upon (a) the authorized person certifying that the demolition of the existing building(s) erected on the Land has been completed, and (b) vacant bare site of the Land having been delivered by the Vendors to the Purchaser within eight months from the date on which the Purchaser requests, in writing, the Vendors for an open tender for the said demolition work to be carried out at the costs and expense of the Purchaser.

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 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 VENDORS

The Vendors shall, not later than 10 days before the Completion Date, confirm to and notify the Purchaser in writing that the Vendors have obtained vacant possession of the Properties and supply to the Purchaser certified true copies of all relevant surrender agreements, termination agreements, cancellation agreements and/or documents of like nature (if any) satisfactory to the Purchaser in respect of the termination of all tenancies.

CONDITION TO BE SATISFIED BY THE PURCHASER

Completion of Disposal shall be conditional upon the passing of a resolution regarding the purchase of the Properties at the extraordinary general meeting to be held by the Purchaser's parent company, Shun Ho Resources.

In the event that the Purchaser fails to arrange the extraordinary general meeting to be held on or before 18 July 2007, the Purchaser may postpone the Completion Date to 20 August 2007.

COMPLETION

Subject to the satisfaction of the above conditions, 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 May 2006 to February 2007. At the time the Properties were acquired by the Company, the Properties were held by the Company as investment properties for rental purpose. The aggregate site area of the Properties is approximately 4,209 square feet.

The respective carrying value of the 1st Property and the 2nd Property was HK\$83,835,000 and HK\$52,760,000 as shown in the latest management account of the Company as at 31 March 2007.

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\$136,595,000 in aggregate.

Based on such acquisition costs, the expected net gain accrued to the Group upon completion of the Disposal will approximately be HK\$90,605,000 after taking into account selling and other expenses payable by the Group in relation to the Disposal of approximately HK\$2,800,000. The Group intends to use the sale proceeds from the Disposal of approximately HK\$87,485,000 for settlement of bank loans on the Properties 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\$150,000 for the year ended 31 December 2006. The net rental income attributable to part of the Properties with tenancies are approximately HK\$142,000 for the year ended 31 December 2006.

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 Savills Valuation & Professional Services Limited, an independent professional valuer with valuation date as at 19 March 2007 was approximately HK\$204,000,000 with reference to the comparable market price. The consideration of the Disposal is at 12.7% 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 and 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

Shun Ho Real Estate Limited carries on the businesses of hotel operation and property investment and is 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 the Company or any of its associates, and are third parties independent of the Company and connected persons of the Company.

GENERAL

The Disposal constitutes a major transaction of the Company under the Listing Rules and is therefore 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 is required to abstain from voting in respect of the Disposal, and the written shareholders' approval was obtained from the Controlling Shareholder on 18 April 2007 approving the Disposal in lieu of holding 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 Shareholders as soon as 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 19 April 2007, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 April 2007.

DEFINITIONS

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

“Agreement”	the agreement dated 18 April 2007 in relation to the sale and purchase of the Properties entered into between the Vendors and the Purchaser
“Board”	the board of Directors
“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”	three months from the date of the Agreement, i.e. 18 July 2007 between 10:00 a.m. and 5:00 p.m.
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	Ko Bee Limited, a company incorporated in British Virgin Islands which owns 156,783,709 Shares, representing 70.37% 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 intended disposal of the Properties by the Vendors 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
“Land”	Nos. 30, 32, 34, 36, 38 and 40 Bowrington Road, Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	the 1st Property and the 2nd Property, the ground floors of which are for non residential purpose and the upper floors of which are for residential purpose
“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”	Shun Ho Real Estate Limited, a company incorporated in Hong Kong with limited liability, and to the best knowledge of the Company, it is an indirect subsidiary of Shun Ho Resources
“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

“Shun Ho Resources”	Shun Ho Resources Holdings Limited, the shares of which are listed on the Stock Exchange (stock code 253)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	the 1st Vendor and the 2nd Vendor, which expression may, where the circumstances require or permit, refer to either one of them
“%”	per cent.
“1st Property”	properties being the ground floor, the first floor, the second floor, the third floor, the fourth floor, the fifth floor and the roof located on Nos.30, 32, 34 and 36 Bowrington Road, Hong Kong
“2nd Property”	properties being the ground floor, the first floor, the second floor, the third floor, the fourth floor, the fifth floor and the roof located on Nos.38 and 40 Bowrington Road, Hong Kong
“1st Vendor”	Wealth Sky Properties Limited, a company incorporated in Hong Kong with limited liability, which is a wholly owned indirect subsidiary of the Company
“2nd Vendor”	Soundwill (Chongqing) Limited, a company incorporated in Hong Kong with limited liability, which is a wholly owned indirect subsidiary of the Company

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

Hong Kong, 20 April 2007

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: Liang Yanfeng, Meng Qinghui; and (iii) 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.