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To: **Business / Property Editor**

SOUNDWILL HOLDINGS ENTERS AGREEMENT TO DISPOSE PROPERTIES IN LIN FA KUNG STREETS FOR HK\$115 MILLION

Soundwill Holdings Limited (“Soundwill Holdings” or “the Group”; stock code: 0878) today announced the Group entered a preliminary disposal agreement with Elite Support Limited, for the disposal of the properties in Nos. 11-15 Lin Fa Kung Street East in Tai Hang and shops on ground floor, The Jolly House, No 16 Lin Fa Kung Street West for a consideration of HK\$85,000,000 and HK\$30,000,000 respectively. The aggregate consideration of the transaction amounts to HK\$115,000,000.

It is the third profitable transaction of the Group by selling of an acquired property with redevelopment value, following the Group’s disposals of the properties at Jones Street and Warren Street last May. The transaction will be completed in September this year and the gain will be booked before the end of 2008 and it is expected the gain will enable the Group to further enhance its profitability.

The Group acquired the property at Lin Fa Kung Street East in 2006 and planned to redevelop it into a residential property. In view of the pressing market demand for hotels, the Group therefore made an application for planning permission for development of hotels according to the Town Planning Ordinances (s.16), to elevate the Property’s value. The permission of the land-use change to a hotel of 25 storeys with a plot ratio of 12 was granted by the Planning Department in March 2008. With a site area of 1,800 sq ft, the gross floor area of the property amounts to approximately 22,000 sq ft. Based on the consideration and the gross floor area, the average price of the property per sq ft is approximately HK\$3,900.

Another property sold in the transaction is located at shop 1-9 on ground floor, The Jolly House, No 16 Lin Fa Kung Street West. Its site area is approximately 1,182 sq ft. The site used to be an old building which had been acquired by the

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Group since 1994 was redeveloped into The Jolly House. The residential units of The Jolly House were sold out and the shops on ground floor were held for investment properties purpose.

"The transaction of the disposed site at Lin Fa Kung Street East and the shops at Lin Fa Kung Street West is the Group's third property project in the district, following the Group's disposal of its two property projects at Lin Fa Kung Street West and Tung Lo Wan Road, Jones Street and Warren Street (see the table). It demonstrates the Group's experience in acquisitions in Causeway Bay efficiently expands the Group's property assembly business and enhances its investment return. The Group's strategy of acquisition will concentrate on seeking properties in vibrant districts on Hong Kong Island with high redevelopment value. Causeway Bay and Tai Hang will be the Group's focus of its property assembling business." said Chan Wai Ling, Executive Director of Soundwill Holdings.

Acquired properties in Tai Hang successfully sold by Soundwill Holdings

Properties	Site area (sq.ft)	Consideration (million dollars)	Completion date
Nos. 11, 11A, 13, 15, 15A Lin Fa Kung Street East and Shops 1,2,3,5,6,7,8,9, on Ground Floor, The Jolly House, No.16 Lin Fa Kung Street West	1,800 and 1,182	115	on September 2008
Nos. 1, 3, 5, 7, 9, 11 Jones Street and Nos. 3, 5, 5A, 7, 7A, 9 and 11 Warren Street	6,677	470	on or by February 2009

Nos. 8, 10, 12 Lin Fa Kung Street West and No. 98 and 100 Tung Lo Wan Road	5,130	245	December 2006
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About Soundwill Holdings Limited

Founded in 1978, Soundwill Holdings Limited became listed on the Stock Exchange of Hong Kong Limited in 1997. The Group is a property conglomerate, with principal business activities in property assembling business, property leasing and management, property development, and urban infrastructure in the PRC.

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