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## **SOUNDWILL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES**

Placing Agent



華富嘉洛證券有限公司  
Quam Securities Company Limited

[www.quamlimited.com](http://www.quamlimited.com)

On 13 February 2004, Ko Bee, the controlling shareholder of the Company, entered into an agreement with Quam Securities and the Company in relation to the placement of 5,500,000 existing Shares at a placing price of HK\$2.20 per Share and the subscription of 13,939,688 new Shares at a subscription price of HK\$2.20 per Share.

The Placing Price represents (i) a discount of around 5.58% to the closing price of HK\$2.33 per Share as quoted on the Stock Exchange on 13 February 2004, being the date of the Agreement; and (ii) around a premium of 1.85% over the average closing price of HK\$2.16 per Share for the last 10 trading days up to and including 13 February 2004.

The consideration of around HK\$30.67 million payable by Ko Bee for the Subscription will be satisfied partly by offsetting against part of the unsecured interest-bearing loan owed by the Company to Ko Bee for an amount of around HK\$18.57 million and the balance of around HK\$12.10 million by cash payment.

The net proceeds from the Subscription is estimated to be around HK\$11 million, which will be applied for future business development and as general working capital of the Group.

## **THE PLACING AND SUBSCRIPTION AGREEMENT DATED 13 FEBRUARY 2004**

### **(A) Parties to the Agreement**

1. The Company
2. Ko Bee, the controlling shareholder of the Company, currently holding around 60.70% of the Company's issued share capital
3. Quam Securities

## **(B) The Placing**

### *Placing Agent*

Quam Securities has been appointed as the exclusive agent of Ko Bee for the Placing, which will be carried out on a fully underwritten basis. Quam Securities is an independent third party not connected with the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

### *Number of Placing Shares*

5,500,000 existing Shares representing around 7.86% of the Company's existing issued share capital and around 6.56% of the issued share capital as enlarged by the issue of the Subscription Shares.

### *Number of Placees*

Not less than six institutional, professional and/or other investors.

### *The Placing price*

HK\$2.20 per Placing Share representing

- (i) a discount of around 5.58% to the closing price of HK\$2.33 per Share as quoted on the Stock Exchange on 13 February 2004, being the date of the Agreement; and
- (ii) a premium of around 1.85% over the average closing price of HK\$2.16 per Share for the last 10 trading days up to and including 13 February 2004.

The Placing Price was determined after arm's length negotiation between the parties to the Agreement.

### *Independence of the Placees*

Quam Securities has agreed to use its best endeavours to procure that the Placees are independent of and not connected with the directors, chief executives and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates and are not acting in concert (as defined in the Takeovers Code) with any of the Company's substantial shareholders.

### *Completion of the Placing*

The Placing is expected to complete on or before 18 February 2004 or such other date as the parties to the Agreement may agree.

## **(C) The Subscription**

*Subscriber* : Ko Bee

*Issuer* : The Company

### *Number of Subscription Shares*

13,939,688 new Shares to be issued by the Company, representing (i) around 19.93% of the existing issued share capital of the Company; and (ii) around 16.62% of its issued share capital as enlarged by the Subscription Shares.

### *Mandate to Issue the Subscription Shares*

The Subscription Shares will be issued pursuant to the general mandate granted to the Board at the special general meeting of the Company held on 16 December 2003.

### *The Subscription Price*

The subscription price of HK\$2.20 per Subscription Share is equal to the Placing Price.

The Company will pay for the costs and expenses of the Placing and the Subscription, which are estimated to be approximately HK\$1.2 million.

### *Consideration*

The consideration of approximately HK\$30.67 million payable by Ko Bee for the Subscription under the Agreement will be satisfied partly by offsetting against part of the unsecured interest-bearing loan owed by the Company to Ko Bee for an amount of around HK\$18.57 million and the balance of approximately HK\$12.10 million by cash payment.

### *Conditions of the Subscription*

Completion of the Subscription is conditional upon:

1. completion of the Placing pursuant to the Agreement; and
2. the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

### *Rights of the Subscription Shares*

The Subscription Shares will rank pari passu in all respects amongst themselves and with the existing Shares in issue on the date of allotment and issue of the Subscription Shares.

### *Completion of Subscription*

The Subscription is expected to complete on or before 27 February 2004.

In the event that the above conditions are not satisfied on or before 27 February 2004 or such later date as may be agreed between the parties to the Agreement, all rights and obligations under the Agreement will cease and terminate.

## **(D) Application for Listing**

Application will be made by the Company to the Stock Exchange for the grant of the listing of and permission to deal in the Subscription Shares.

## **(E) Effects of Placing and Subscription on Shareholding**

	Immediately before the Placing and the Subscription		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Ko Bee</b>	42,462,400	60.70	36,962,400	52.83	50,902,088	60.67
<b>Mrs. Chan</b>	80,000	0.11	80,000	0.11	80,000	0.10
<b>Mr. Tse</b>	5,603	0.01	5,603	0.01	5,603	0.01
<b>COSCO</b>	6,614,720	9.46	6,614,720	9.46	6,614,720	7.88
<b>Public</b>	<u>20,795,720</u>	<u>29.72</u>	<u>26,295,720</u>	<u>37.59</u>	<u>26,295,720</u>	<u>31.34</u>
<b>Total</b>	<u>69,958,443</u>	<u>100</u>	<u>69,958,443</u>	<u>100</u>	<u>83,898,131</u>	<u>100</u>

## **(F) Reasons for the Placing and the Subscription and Use of Proceeds**

The Group is principally engaged in property development, property leasing and the provision of building management services. The Company will bear all the costs and expenses in connection with the Placing and Subscription. The net cash proceeds of the Subscription are estimated to be around HK\$11 million, which will be applied for future business development and as general working capital for the Group.

The Directors are of the view that the Placing will help to broaden the Company's shareholder base and strengthen its capital base. The Directors (including the independent non-executive Directors) also consider that the terms of the Agreement are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

## **(G) General**

Save as the issue of 12,465,608 units of bonus warrants, each of which entitling the holder to subscribe for one Share at the initial subscription price of HK\$2.00 (subject to adjustments) from 3 September 2003 until 2 March 2006, the Company did not carry out any other fund raising exercise in the last 12 months immediately preceding this announcement. Proceeds of around HK\$14.74 million have been received upon exercise of such bonus warrants and applied to repay the Company's shareholder's loan.

## **(H) Terms and Definitions**

“Agreement”	the Placing and Subscription Agreement dated 13 February 2004 entered into by the Company, Ko Bee and Quam Securities in relation to the Placing and the Subscription
“associates”	has the same meaning as ascribed to it in the Listing Rules
“Company”	Soundwill Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“COSCO”	China Ocean Shipping (Group) Company, a shareholder of the Company currently holding approximately 9.46% of the Company's issued share capital
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Ko Bee”	Ko Bee Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is held by Mrs. Chan
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tse”	Mr. Tse Chun Kong, Thomas, an executive Director of the Company

“Mrs. Chan”	Ms. Foo Kam Chu, Grace, the chairman and an executive Director of the Company
“Placees”	any professional, institutional or other investors procured by Quam Securities to purchase the Placing Shares
“Placing”	The placing of the Placing Shares by Quam Securities pursuant to the Agreement
“Placing Price”	HK\$2.20 per Placing Share
“Placing Shares”	a total of 5,500,000 existing Shares beneficially owned by Ko Bee and to be placed under the Placing
“Quam Securities”	Quam Securities Company Limited
“Shares”	Shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	The conditional subscription for the Subscription Shares by Ko Bee pursuant to the Agreement
“Subscription Shares”	a total of 13,939,688 new Shares to be subscribed by Ko Bee under the Agreement
“substantial shareholders”	has the same meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

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

Hong Kong, 13 February 2004

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