

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Soundwill Holdings Limited (the "Company"), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or to the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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## **SOUNDWILL HOLDINGS LIMITED**

**(金朝陽集團有限公司\*)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 878)**

### **PROPOSAL FOR RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO BUY-BACK SHARES AND TO ISSUE SHARES**

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A notice convening the annual general meeting (the "AGM") of Soundwill Holdings Limited (the "Company") to be held on 36th Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong at 2:30 p.m. on Wednesday, 25 May 2016, at which the above proposal will be considered, is contained in the 2015 Annual Report of the Company accompanying this circular.

Only light refreshment will be served after the AGM.

If you are not able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's principal office in Hong Kong at 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held on 36th Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong on Wednesday, 25 May 2016 at 2:30 p.m.;
“AGM Notice”	the notice convening the AGM as contained in the 2015 Annual Report of the Company accompanying this circular;
“Board”	the board of Directors;
“Branch Share Registrar”	Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong being the Hong Kong branch share registrar and transfer office of the Company;
“Buy-Back Share Mandate”	the general mandate to the Directors to exercise the power of the Company to buy-back Shares during the relevant period up to 10 per cent. of the issued share capital of the Company as at the date of passing of the resolution no. 5A set out in the AGM Notice;
“Bye-laws”	the bye-laws of the Company, as amended from time to time;
“Company”	Soundwill Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Extension of Share Issue Mandate”	the extension of the Share Issue Mandate by the addition there to of an amount representing the aggregate number of Shares bought-back by the Company under the authority granted pursuant to the Buy-Back Share Mandate provided that such extended amount shall not exceed 10 per cent. of the number of Shares in issue at the date of passing of resolution no. 5C set out in the AGM Notice;
“Group”	means the Company, its subsidiaries, associated companies and jointly controlled entities from time to time;

## DEFINITIONS

“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;
“Latest Practicable Date”	15 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs.



**SOUNDWILL HOLDINGS LIMITED**

**(金朝陽集團有限公司\*)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 878)**

*Executive Directors:*

FOO Kam Chu Grace, *Chairman*

CHAN Wai Ling

KONG Siu Man Kenny

*Independent Non-Executive Directors:*

CHAN Kai Nang

PAO Ping Wing

NG Chi Keung

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal*

*Place of Business:*

21st Floor, Soundwill Plaza

No. 38 Russell Street

Causeway Bay

Hong Kong

21 April 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR  
RE-ELECTION OF DIRECTORS AND  
GENERAL MANDATES TO BUY-BACK SHARES  
AND TO ISSUE SHARES**

**1. INTRODUCTION**

The Directors are proposing to seek the approvals of the Shareholders at the AGM in relation to:

- (a) the granting of the Share Issue Mandate and the Buy-Back Share Mandate;
- (b) the Extension of Share Issue Mandate; and
- (c) the re-election of Director(s).

\* *For identification only*

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with information in respect of the granting of the Buy-Back Share Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the information on directors to be re-elected at the forthcoming AGM, in order to enable you to make an informed decision on whether to vote for or against the relevant resolutions to be proposed at the AGM.

### **2. GRANTING OF THE BUY-BACK SHARE MANDATE, THE SHARE ISSUE MANDATE AND THE EXTENSION OF SHARE ISSUE MANDATE**

The general mandates given at the last annual general meeting of the Company on 20 May 2015 to the Directors to exercise the powers of the Company to buy-back its own Shares, issue Shares and extend the authority to issue Shares by the amount of Shares bought-back will lapse at the conclusion of the AGM.

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of the Share Issue Mandate and the Extension of Share Issue Mandate at the AGM. Assuming that (i) no other Shares are issued or bought-back by the Company from the Latest Practicable Date up to the AGM; and (ii) the Share Issue Mandate is approved by the Shareholders at the AGM, the Share Issue Mandate will allow the Directors to exercise the power of the Company to allot and issue not more than 56,661,727 Shares.

The Directors will also seek the approval of the Shareholders at the AGM for the grant of the Buy-Back Share Mandate in accordance with the requirements set out in the Listing Rules. Pursuant to the requirements of the Listing Rules, Appendix I to this circular sets out the explanatory statement to provide the Shareholders with the requisite information reasonably necessary to enable the Shareholders to make an informed decision in considering the voting on the grant of the Buy-Back Share Mandate.

Details of the Buy-Back Share Mandate, the Share Issue Mandate and the Extension of Share Issue Mandate are set out in resolutions nos. 5A, 5B and 5C in the AGM Notice. The Buy-Back Share Mandate and the Share Issue Mandate shall be valid from the passing of the relevant resolutions (the "Resolutions") by the Directors at the AGM until whichever the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda or the Company's Bye-laws to be held; or (iii) the date on which the authority set out in the Resolutions are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

### **3. RE-ELECTION OF DIRECTORS**

Pursuant to Bye-laws 86(2) and 87(1), Mr. CHAN Kai Nang and Mr. NG Chi Keung, existing Directors of the Company, will be retiring by rotation from office at the AGM. Both are eligible and will be proposed for re-election at the AGM. Information on these Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

## LETTER FROM THE BOARD

#### 4. ANNUAL GENERAL MEETING

The AGM Notice is set out in the 2015 Annual Report of the Company accompanying this circular. At the AGM, ordinary resolutions will be proposed to approve the Buy-Back Share Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the re-election of Directors. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on any resolution at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. If you are not able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's principal office at 21st Floor, Soundwill Plaza, No. 38 Russell Street, Causeway Bay, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll.

#### 5. RECOMMENDATION

The Directors believe that the Buy-Back Share Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the re-election of Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

#### 6. RESPONSIBILITY OF THE DIRECTORS

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

Yours faithfully,  
By order of the Board  
**Soundwill Holdings Limited**  
**FOO Kam Chu Grace**  
*Chairman*

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to Shareholders for consideration of the Buy-back Share Mandate and should be read in conjunction with the letter from the Board hereinbefore appearing.

## **1. LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy-back their shares on the Stock Exchange or on any other stock exchange on which the shares of the companies may be listed and recognised for the purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (a) The shares proposed to be purchased by the company are fully-paid up.
- (b) The company has previously sent to its shareholders an explanatory statement complying with the Listing Rules.
- (c) The shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such purchase, by way of an ordinary resolution which complies with the Listing Rules and which has been passed at a general meeting of the company duly convened and held and the company has delivered a copy of such resolution, together with the necessary supporting documentation, to the Stock Exchange in accordance with the Listing Rules.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 283,308,635 Shares. Subject to the passing of the ordinary resolution to approve the Buy-Back Share Mandate and on the assumption that no further Shares are issued or bought-back prior to the AGM, the Company would be allowed under the Buy-Back Share Mandate to buy-back up to a limit of 28,330,863 Shares.

## **3. REASON FOR BUY-BACKS**

Buy-back of Shares will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

## **4. FUNDING OF BUY-BACKS**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the laws of the jurisdiction in which the Company is incorporated and the Listing Rules.

The Companies Act 1981 of Bermuda provides that the amount of capital repaid in connection with a buy-back share may only be paid out of either the capital paid up on the relevant Shares or the funds of the Company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on buy-back may only be paid out of the funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are bought-back.

## 5. FINANCIAL EFFECT OF BUY-BACKS OF SHARES

There might be material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31 December 2015) in the event that the proposed buy-backs of Shares was to be carried out in full at any time during the proposed buy-back period. However, the Directors have no current intention to exercise the Buy-Back Share Mandate to an extent as would, having regard to the relevant circumstances, have a material adverse effect on the working capital or gearing position of the Company.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	SHARES	
	Highest HK\$	Lowest HK\$
<b>2015</b>		
April	14.486	12.459
May	15.797	13.174
June	15.797	14.200
July	14.780	11.780
August	12.780	9.390
September	9.950	8.900
October	10.140	9.210
November	10.080	9.510
December	10.900	9.050
<b>2016</b>		
January	10.780	8.500
February	8.720	8.220
March	9.300	8.300
April (up to the Latest Practicable Date)	9.260	8.850

## 7. GENERAL

The Directors have undertaken to the Stock Exchange that they will exercise Buy-Back Share Mandate in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Bermuda.

If as a result of a buy-back share pursuant to the Buy-Back Share Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the interest of such Shareholder(s), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Ko Bee Limited was beneficially interested in 194,866,028 Shares representing approximately 68.29 per cent. of the issued share capital of the Company. In the event that the Buy-Back Share Mandate was exercised in full, the shareholding of Ko Bee Limited would be increased to approximately 76.42 per cent. of the issued share capital of the Company. In the opinion of the Directors, such increase would not give rise to a mandatory offer in accordance with the Takeovers Code. Pursuant to the Listing Rules, a company is prohibited from buy-back its shares on the Stock Exchange if any buy-back would result in the Company's issued share capital in public hands (the "Public Float") would be less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) (the "Prescribed Minimum"). The Company will not buy-back Shares if that buy-back would result in the Public Float falling below the Prescribed Minimum.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), presently intend to sell any Shares to the Company under the Buy-Back Share Mandate in the event that the Buy-Back Share Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Buy-Back Share Mandate is approved by the Shareholders.

**8. BUY-BACK SHARE MADE BY THE COMPANY**

The Company bought-back an aggregate of 2,577,500 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, with details as follows:

Buy-back Date	No. of Shares	Buy-back Price	
		Highest HK\$	Lowest HK\$
8 December 2015	222,500	9.24	9.19
9 December 2015	29,000	9.38	9.25
10 December 2015	50,500	9.40	9.29
11 December 2015	30,000	9.37	9.32
14 December 2015	197,000	9.58	9.31
15 December 2015	9,500	9.60	9.52
6 January 2016	5,000	10.20	10.20
7 January 2016	600,000	9.97	9.97
11 January 2016	360,000	9.76	9.45
19 January 2016	301,000	9.30	9.07
21 January 2016	201,000	8.95	8.72
28 January 2016	572,000	8.71	8.69

*The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting to be held on Wednesday, 25 May 2016:*

**CHAN Kai Nang**, aged 70, appointed as Independent Non-Executive Director of the Company on 11 March 2009, received a Postgraduate Diploma in Management Studies from The University of Hong Kong and Bachelor of Laws from the University of London. Mr. Chan is an associate member of The Chartered Institute of Management Accountants in the UK and The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants in the UK. He is also a member of the Chartered Global Management Accountant. Mr. Chan worked for more than 40 years as senior executive in major multinational and local corporations. Mr. Chan was the executive director of Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited) and managing director of K. Wah Construction Materials Limited from February 2002 to May 2008. The shares of the above-named company are listed on the Stock Exchange. He served as an adviser of K. Wah Construction Materials Limited until his retirement on June 2014. Mr. Chan was also appointed as independent non-executive director of Asian Capital Holdings Limited and Steed Oriental (Holdings) Company Limited, the shares of each are listed on the Growth Enterprise Market of the Stock Exchange and Prosperity International Holdings (H.K.) Limited, whose shares are listed on Main Board of the Stock Exchange. He was also appointed as independent non-executive director of FDB Holdings Limited on 16 September 2015, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Chan does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Chan did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Chan has not entered into service contract with the Company. Mr. Chan's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The emolument of Mr. Chan is determined in accordance with prevailing market conditions and his role and responsibility. The total emolument of Mr. Chan for the year ended 31 December 2015 amounted to HK\$150,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Chan's appointment.

**NG Chi Keung**, aged 67, was appointed as Independent Non-executive Director of the Company on 18 March 2011. Mr. Ng holds a Master Degree in Business Administration and is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Chartered Institute of Management Accountants. He has over 30 years of financial management experience with renowned multinational corporations. Mr. Ng was the executive director of Fairwood Holdings Limited for 15 years until his retirement at the end of year 2009 and re-designated as non-executive director after his retirement.

Mr. Ng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng did not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Ng has not entered into service contract with the Company. Mr. Ng's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The emolument of Mr. Ng is determined in accordance with prevailing market conditions and his role and responsibility. The total emolument of Mr. Ng for the year ended 31 December 2015 amounted to HK\$130,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Ng's appointment.

The Board is not aware of any other matter relating to the proposed re-election of the above-named directors that need to be brought to the attention of the Shareholders.