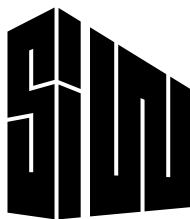


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Soundwill Holdings Limited

(Incorporated in Bermuda with limited liability)

PROPOSED CAPITAL REORGANISATION, TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

The Board is pleased to announce that all the relevant resolutions regarding the Capital Reorganisation, the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme and the granting of general mandates to issue and repurchase New Shares were duly passed at the SGM and all conditions upon the Capital Reorganisation have been fulfilled. The Capital Reorganisation will become effective from 9:30 a.m., Tuesday, 23 July 2002 and dealings in New Shares will commence at 9:30 a.m., Tuesday, 23 July 2002.

Unless otherwise defined, capitalised terms used herein shall have the same meaning as the announcement of Soundwill Holdings Limited (the “Company”) dated 10 June 2002 and the circular of the Company dated 28 June 2002.

The Board is pleased to announce that all the relevant resolutions regarding the Capital Reorganisation, the termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme and the granting of general mandates to issue and repurchase New Shares were duly passed at the SGM and all conditions upon the Capital Reorganisation have been fulfilled. The Capital Reorganisation will become effective from 9:30 a.m., Tuesday, 23 July 2002 and dealings in New Shares will commence at 9:30 a.m., Tuesday, 23 July 2002.

The Board confirms that the New Share Option Scheme complies with chapter 17 of the Listing Rules.

The expected timetable for the Capital Reorganisation

2002

Effective date of the Capital Reorganisation	9:30 a.m. on Tuesday, 23 July
Dealings in the New Shares commence	9:30 a.m. on Tuesday, 23 July
First day of free exchange of certificates for Shares for certificates for New Shares	Tuesday, 23 July
Last day of free exchange of certificates for Shares for certificates for New Shares	Friday, 23 August

Free Exchange of Certificates for the New Shares

Shareholders may, on or after Tuesday, 23 July 2002 until Friday, 23 August 2002, submit existing share certificates in respect of the Shares by them to the Company's branch registrar in Hong Kong, Standard Registrars Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong, to exchange at the expense of the Company, for the new share certificates for the New Shares. After the expiry of such one month period, share certificates for the Shares will be accepted for exchange for certificates for the New Shares only on payment of a fee of HK\$2.50 (or such higher amount as may be stipulated in the Listing Rules from time to time) for each new certificate to be issued or each old certificate submitted, whichever number of certificates is higher. Certificates for Shares will continue to be good evidence of legal title for all purposes including trading, settlement and registration and may be exchanged for New Shares at any time.

In order to distinguish between the existing and the new certificates, certificates for the New Shares will be **YELLOW** in colour which is different from the existing certificates for the Shares which are **RED** in colour. It is expected that new share certificates for the New Shares will be available for collection on or after the 10th business day from the date of submission of the existing share certificates for the Shares to the Company's Hong Kong branch share registrar at the above address.

By Order of the Board
Soundwill Holdings Limited
Foo Kam Chu, Grace
Chairman

Hong Kong, 22 July 2002

Please also refer to the published version of this announcement in the (China Daily)