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Soundwill Holdings Limited

(Incorporated in Bermuda with limited liability)



**福海集團有限公司
FUJIAN GROUP LIMITED**

(Incorporated in Hong Kong with limited liability)

Turbo Success Ventures Limited

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

It was jointly announced on 3 June 2002 that Fujian Group Limited (FGL) and the Investors entered into the MOU, pursuant to which FGL granted to the Investors and/or the Other Party the exclusive right to enter into the Investment Agreements with FGL and assist FGL in the finalisation of the terms of the Debt Restructuring Agreement with the financial creditors of FGL.

The Investors have submitted a debt restructuring proposal to the major financial creditors of FGL on 4 June 2002 and are in the process of negotiation with the major financial creditors of FGL in respect of the terms of the debt restructuring proposal. The terms of the Investment Agreements and the Debt Restructuring Agreement have yet to be determined and the final terms of the Investment Agreements may not be exactly the same as those contained in the MOU.

The Restructuring Proposal may or may not proceed. Trading of FGL Shares on the Stock Exchange has been suspended since 16 February 2001. On 21 July 2002, the Stock Exchange announced that FGL will be put into the third stage of delisting procedures in accordance with Practice Note 17 to the Listing Rules. Trading of FGL Shares on the Stock Exchange will remain suspended pending the implementation of the Restructuring Proposal and satisfaction of paragraph 38 of the Listing Agreement.

A further announcement will be made to keep investors informed of any material development regarding the Restructuring Proposal as and when appropriate.

UPDATE ON THE RESTRUCTURING PROPOSAL

Reference is made to the joint announcement dated 3 June 2002 issued by Soundwill Holdings Limited (SHL), FGL and Turbo Success Ventures Limited (TSV). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in that joint announcement. Pursuant to the MOU, FGL has granted to the Investors and/or the Other Party the exclusive right for a period of three months from the date of the MOU (which period may be extended for a further period of 9 months) to (i) enter into the Investment Agreements with FGL for the purposes of enabling the Investors (or their respective nominees) and/or the Other Party to acquire at least 51 per cent. of the then issued share capital of FGL and (ii) assist FGL in the finalisation of the terms of the Debt Restructuring Agreement with the financial creditors of FGL.

The Investors have submitted a debt restructuring proposal to the major financial creditors of FGL on 4 June 2002 and are in the process of negotiation with the major financial creditors of FGL in respect of the terms of the debt restructuring proposal. The terms of the Investment Agreements and the Debt Restructuring Agreement have yet to be determined and the final terms of the Investment Agreement may not be exactly the same as those contained in the MOU.

It is expected that completion of the transactions to be contemplated under the Investment Agreements will result in a change in control of FGL. The transaction to be contemplated under the Sale and Purchase Agreement, if materialises, is expected to constitute a notifiable transaction for SHL under the Listing Rules.

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A further announcement will be made to keep investors informed of any material development regarding the Restructuring Proposal as and when appropriate.

By Order of the Board
Soundwill Holdings Limited
Leung Yeuk Kuk, Joseph
Director

By Order of the Board
Fujian Group Limited
Huang Jianguan
Chairman

By Order of the Board
Turbo Success Ventures Limited
Foo Kam Chu, Grace
Director

Hong Kong, 25 July 2002

The respective directors of the Investors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the FGL and TSV) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the FGL and TSV) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The FGL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Investors and their respective directors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Investors and their respective directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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