

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Soundwill Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

RE-APPOINTMENT OF AUDITORS

A notice convening a special general meeting of Soundwill Holdings Limited (the "Company") to be held at 9 a.m., Tuesday on 28 March 2006 (the "SGM") at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong is set out on page 4 of this circular. Whether or not you intend to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at 21st Floor, Soundwill Plaza, 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish.

13 March 2006

LETTER FROM THE BOARD



SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

Executive Directors:

FOO Kam Chu, Grace, Chairman
CHAN Wai Ling
TSE Chun Kong, Thomas
KWAN Chai Ming

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-Executive Directors:

LIU Hanbo, Non Executive Vice Chairman
MENG Qinghui

Head Office and Principal

Place of Business:
21st Floor, Soundwill Plaza
38 Russell Street
Causeway Bay
Hong Kong

Independent-Non Executive Directors:

Heng Kwoong Seng
Kwan Kai Cheong
Ho Suk Yin

13 March 2006

To the shareholders

Dear Sir or Madam,

RE-APPOINTMENT OF AUDITORS

INTRODUCTION

The purpose of this circular is to provide shareholders with details of the re-appointment of auditors of the Company and its subsidiaries.

RE-APPOINTMENT OF AUDITORS

The board of directors (the "Board") of Soundwill Holdings Limited (the "Company") announced on 19 January 2006 (the "First Announcement") that Messrs. Grant Thornton, Certified Public Accountants ("GT") have resigned as auditors of the Company and its subsidiaries with effect from 12 January 2006 as the Company and GT could not reach an agreement on the audit fees for the financial year ending 31 December 2005.

LETTER FROM THE BOARD

In their letter of resignation dated 12 January 2006, GT confirmed that there are no circumstances connected with their resignation which should be brought to the attention of the members or creditors of the Company or its subsidiaries.

The Board proposed to appoint CCIF CPA Limited ("CCIF") as the auditors of the Company to fill the vacancy left by the resignation of GT and to hold office until the next annual general meeting of the Company, subject to appointment being approved by the shareholders of the Company at a special general meeting ("SGM") to be convened pursuant to the bye-laws of the Company (the "Bye-Laws").

Reference is also made to an announcement dated 28 February 2006 whereby it was announced that subsequent to the First Announcement, certain bank creditor highly valued by the Company showed serious concern about the frequent change of auditors of the Company and its subsidiaries. CCIF have not yet commenced any audit work in relation to its proposed appointment which is subject to shareholders' approval at the SGM. In order to maintain the established good relationship with the bank creditor, the Board would propose to re-appoint GT as its auditors subject to the approval of the shareholders at the SGM to be convened in accordance with the Bye-Laws. GT agreed to accept the re-appointment subject to the shareholders' approval at the SGM.

An ordinary resolution will be proposed at the SGM to approve the re-appointment of GT as auditors of the Company and its subsidiaries.

SPECIAL GENERAL MEETING

A notice of SGM of the Company to be held at 9 a.m., Tuesday on 28 March 2006 at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong is set out on page 4 of this circular.

A form of proxy for use by the shareholders at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the accompanying form of proxy and return it to the head office and principal place of business of the Company at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to bye-law 66 of the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of such meeting; or

LETTER FROM THE BOARD

- (b) by at least three members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representatives) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representatives) or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or
- (d) by any member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representatives) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Board considers that the re-appointment of GT as auditors of the Company and its subsidiaries is in the best interest of the Company and its shareholders and recommends the shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

Yours faithfully,
By order of the Board
Soundwill Holdings Limited
Kwan Chai Ming
Executive Director

NOTICE OF SPECIAL GENERAL MEETING



SOUNDWILL HOLDINGS LIMITED

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(Stock Code: 878)

NOTICE IS HEREBY GIVEN that a special general meeting of Soundwill Holdings Limited (the “Company”) will be held at 9 a.m., Tuesday on 28 March 2006 (the “SGM”) at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong, for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution:

Ordinary Resolution

“**THAT** Messrs. Grant Thornton, Certified Public Accountants be and are hereby re-appointed as auditors of the Company and its subsidiaries until the next annual general meeting of the Company at a fee to be fixed by the directors of the Company”.

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

Hong Kong, 13 March 2006

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the head office and principal place of business of the Company at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof.