
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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **SOUNDWILL HOLDINGS LIMITED**, you should at once hand this circular with the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES

A notice convening a special general meeting of Soundwill Holdings Limited to be held at Units 01–03, 11th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong on Tuesday, 16 December, 2003 at 9:30 a.m. is set out on pages 4 to 5 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same 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 later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the special general meeting (or any adjourned meeting as the case may be) if they so wish.

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DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	Soundwill Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“May Annual General Meeting”	the annual general meeting of the Company held at 11th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong on 22nd May, 2003 at 10:00 a.m.
“Registrar”	Standard Registrars Limited, whose office is currently at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“SGM Notice”	the notice convening the Special General Meeting dated 27 November, 2003
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Special General Meeting”	the special general meeting of the Company to be held at Units 01–03, 11th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong on Tuesday, 16 December, 2003 at 9:30 a.m., notice of which is set out on pages 4 to 5 of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” and “cents”	Hong Kong dollars and cents respectively



SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Foo Kam Chu, Grace (*Chairman*)
Chan Wai Ling (*Deputy Chairman*)
Tse Chun Kong, Thomas
Kwan Chai Ming

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non Executive Directors:

Liu Hanbo (*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:

Wong Tak Leung, Charles
Yuen Hing Man

27 November, 2003

*To the shareholders and,
for information only, warrant holders*

Dear Sir or Madam,

PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES

1. INTRODUCTION

At the May Annual General Meeting, general mandate was given to the Directors to exercise the powers of the Company to issue Shares. The said general mandate to issue Shares has been exercised in full by the Directors since then.

The purpose of this circular is to provide you with detailed information regarding a new general mandate to issue Shares to be granted at the Special General Meeting.

2. GENERAL MANDATE TO ISSUE SHARES

At the May Annual General Meeting, general mandate was given to the Directors to exercise the powers of the Company to issue, at any time until the next annual general meeting of the Company or such earlier period as stated in the relevant ordinary resolution passed at the May Annual General Meeting, Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing that resolution. As such mandate has been exercised by the Directors in full since then to issue bonus warrants, an ordinary resolution will be proposed at the Special General Meeting to give the Directors a new general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company at the date of passing such resolution.

LETTER FROM THE BOARD

3. SPECIAL GENERAL MEETING

Set out on pages 4 to 5 of this circular is a notice convening the Special General Meeting to consider the ordinary resolution relating to the granting to the Directors of a general mandate to issue Shares.

A proxy form for use at the Special General Meeting is enclosed herewith. Whether or not you intend to attend the Special General Meeting, you are requested to complete the proxy form 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 not less than 48 hours before the time appointed for holding the Special General Meeting. Completion and return of a proxy form will not prevent you from attending and voting at the Special General Meeting (or any adjourned meeting as the case may be) if you so wish.

4. RECOMMENDATION

The Board believes that the general mandate for Directors to issue Shares is in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends that all shareholders of the Company should vote in favour of the resolution set out in the SGM Notice.

By Order of the Board
Kwan Chai Ming
Executive Director



SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a Special General Meeting of Soundwill Holdings Limited (the “Company”) will be held at Units 01–03, 11th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong on Tuesday, 16 December, 2003 at 9:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise, than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of shares upon the exercise of the subscription rights under any option scheme or similar arrangement for the grant or issue to the participants of such option scheme or similar arrangement of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal value of the issued share capital of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF SPECIAL GENERAL MEETING

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

By Order of the Board
Kwan Chai Ming
Executive Director

Hong Kong, 27 November, 2003

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with 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 not less than 48 hours before the time appointed for holding the above meeting. Completion and return of a form of proxy will not preclude a member of the Company from attending and voting in person at the meeting.