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SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00878)

**DISCONTINUATION OF PROPOSED CONDITIONAL SPECIAL
DIVIDEND BY WAY OF A DISTRIBUTION IN SPECIE OF,
AND
A SPIN-OFF AND A SEPARATE LISTING OF,
THE ISSUED SHARES OF
SOUNDWILL INFRASTRUCTURE LIMITED
ON THE GEM BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF INTRODUCTION**

Reference is made to the announcement of the Company dated 23 April 2010 (the “Announcement”) in relation to, among other things, the Proposed Spin-off. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Directors are of the view that it is in the interests of the Company and its shareholders as a whole to discontinue the Proposed Spin-off. The Directors consider that under the current changing market situation and also that for aligning with the corporate development strategy of the Group as a whole, the Group can achieve a greater value by keeping Soundwill Infrastructure Limited as a wholly-owned subsidiary of the Company. The Group will continue the underground telecommunication pipelines development business and will explore different alternatives to enhance shareholder value.

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

Hong Kong, 4 November 2010

As at the date of this announcement, the Board comprises (i) executive Directors: Foo Kam Chu, Grace, Chan Wai Ling, Tse Chun Kong, Thomas, and Kong Siu Man, Kenny; (ii) non-executive Directors: Liang Yanfeng, and Meng Qinghui; and (iii) independent non-executive Directors: Chan Kai Nang, Kwan Kai Cheong and Pao Ping Wing.