

Date: 23 April 2008

Total pages: 2

To: Property Editor

SOUNDWILL'S ACQUISITION OF TANG LUNG STREET PROJECT IN ITS FINAL STAGE STRENGTHEN REDEVELOPMENT BUSINESS & FURTHER CONSOLIDATE REVENUE BASIS

Soundwill Holdings Limited ("Soundwill Holdings" or the "Group", stock code: 0878) has reached the final stage of the redevelopment project of Tang Lung Street. An "order for compulsory sale" is granted for the redevelopment project of Tang Lung Street, enabling the Group to secure total control of the property's ownership. The Group plans to develop the property and its adjacent sites into a Ginza-style commercial building, total investment of approximately HK\$700 million. This project is expected to provide the Group with respectable rental income.

The property, Hang Tang House, is situated at Nos. 7-19 Tang Lung Street, Causeway Bay. In June 2005, the Group announced the acquisition of the project, which has a site area of approximately 5,400sq ft. Soundwill Holdings has successfully acquired 99.9% of the building's ownership until now. Under the Land (Compulsory Sale for Redevelopment) Ordinance, the Group is expected to be completed the acquisition of the property's ownership two months from now, through compulsory public auction.

The Group plans to invest HK\$700 million to redevelop the property and its adjacent sites into a novel Ginza-style building with a gross floor area of approximately 130,000sq.ft. The project is expected to be completed in 2010. The Group is going to introduce various tenants with a mixed combination of distinctive restaurants in the shopping arcade, and trendy, service-oriented shops, renowned brands and beauty slimming centers in the upper portions respectively. It is expected that this avant-garde shopping spot can represent a new face of the district, following the completion of the development.

"We strive to engage in the urban redevelopment business and have achieved fruitful results. Based in Causeway Bay, the Group has completed a variety of property acquisitions, of which we have selectively disposed of some of the acquired properties to strengthen its earning base. The redevelopment project of Hang Tang House and its adjacent sites signifies our positive projection towards the retail market of Causeway Bay. Located at the prime area of the district, with dramatic and distinctive geographical location, the new development

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is expected to bring synergy to the tenant mix of the Group's Flagship, Soundwill Plaza, in order to further enhance the Group's leasing portfolio, as well as rental income. " said Chan Wai Ling, Executive Director of Soundwill Holdings.

About Soundwill Holdings Limited

Founded in 1978, Soundwill Holdings Limited became listed on the Stock Exchange of Hong Kong Limited in 1997. The Group is a property conglomerate, with principal business activities in property assembling, property leasing and management, property development, and urban infrastructure in the PRC.

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Through: CorporateLink Limited

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Press release