



金朝陽集團有限公司
SOUNDWILL HOLDINGS LIMITED

Stock code: 878.HK



Soundwill
Plaza
金·朝·陽·中·心



2014 Annual Results

A niche property play with quality assets in Causeway Bay



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Company Overview



A niche property play in Hong Kong with proven track record in property redevelopment

Stock information

- Constituent stock of MSCI Hong Kong Small Cap Index since 31 May 2011

Stock code : 878.HK

Listing date : March 1997

No. of issued shares (as at 28 Feb 2015) : 284 mil

FY2014 results highlight

- Revenue increased by 38%
- New stream of leasing income of HK\$43 mill from *"Soundwill Plaza II Midtown"*
- "Park Haven"* has been completed, proceeds of HK\$2.38bil was recognized in 2H2014
- Disposal of 100% ownership of *12-24 Lun Fat Street*, significantly increased cash flow by HK\$860 mil

About Soundwill

- Completed more than 100 redevelopment projects since its inception 30 years ago
- Mainly focused on old buildings in premium areas of Hong Kong with potential redevelopment value

Commercial

- A premium landlord in Hong Kong's core commercial districts

Causeway Bay
Leasing GFA: 467,905 sq. ft.

Tsim Sha Tsui
Leasing GFA: 114,000 sq. ft.



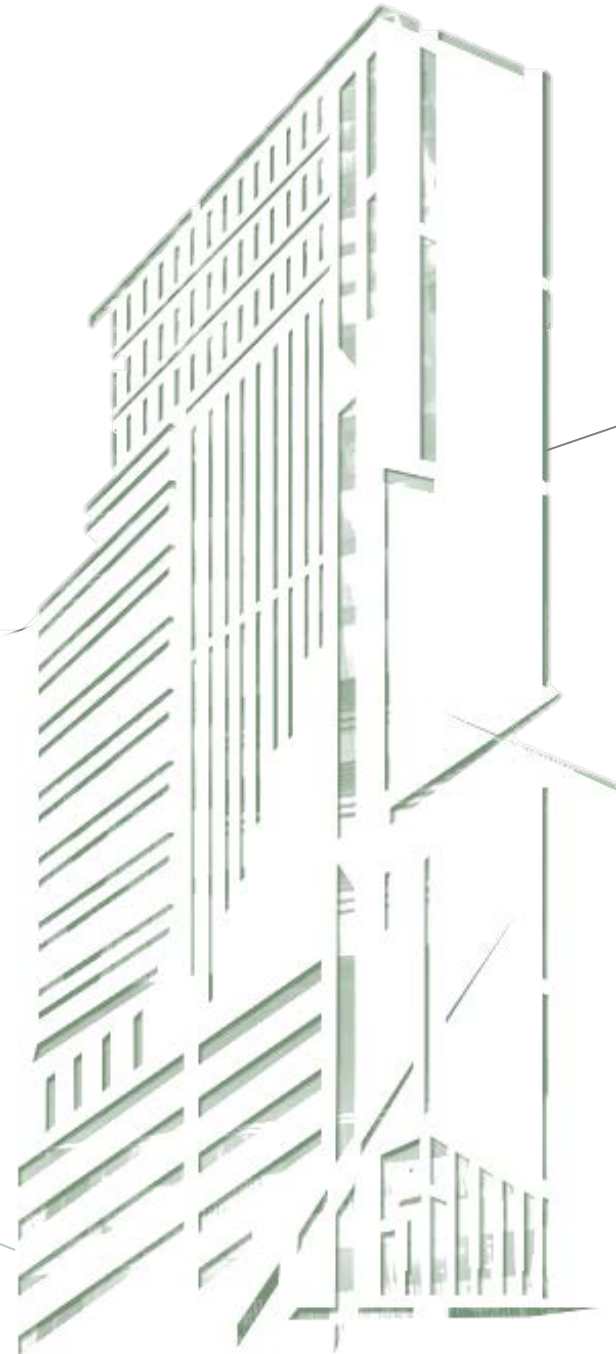
Residential

- A luxury residential developer

Projects in Causeway Bay & Tai Hang



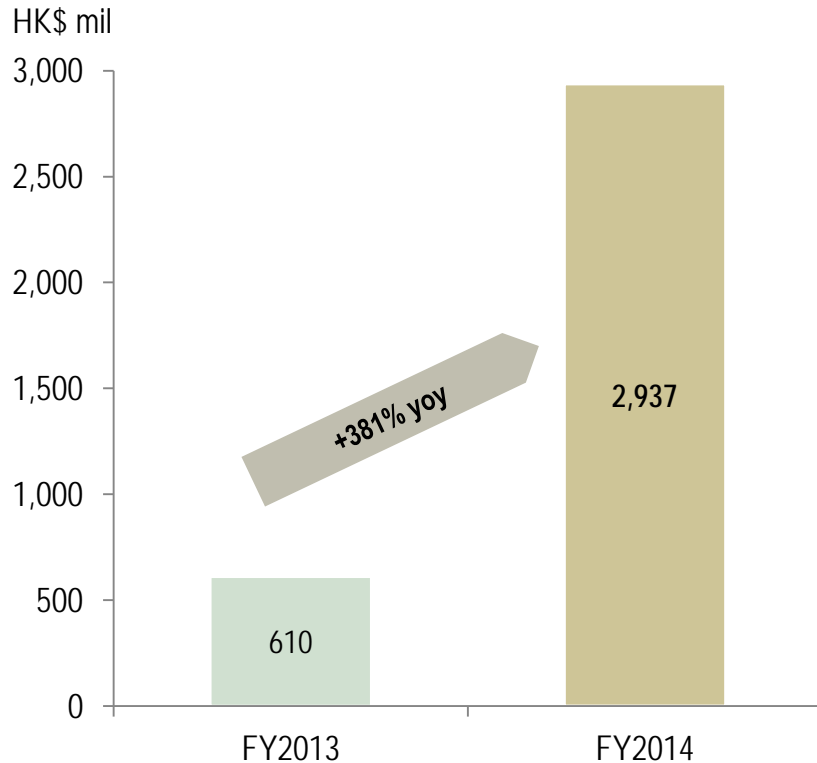
2014 Annual Results



Revenue Analysis

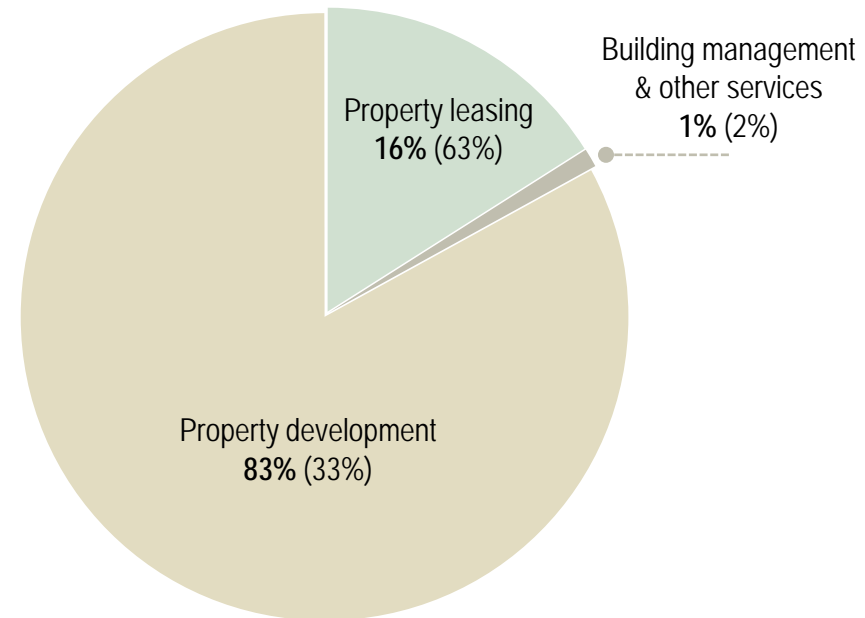


Revenue



Revenue by business segments

(Comparable figures of 2013 in parentheses)



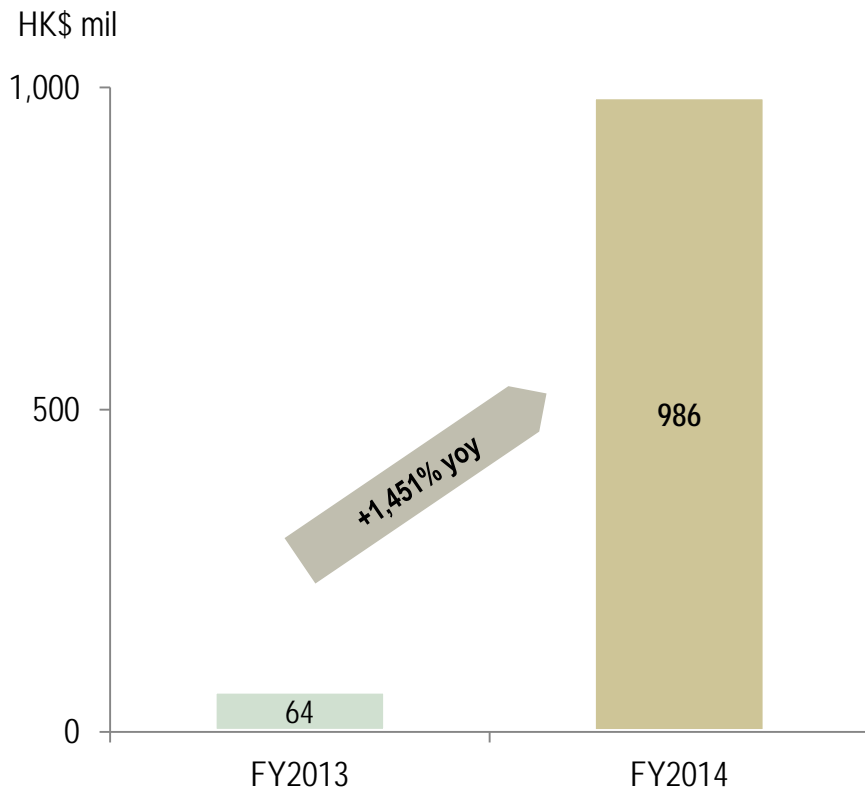
Increase in turnover

- Revenue from property leasing amounted to HK\$457 mil, up 18%, mainly due to the increase in leasing income from Soundwill Plaza, and the Group's new leasing property Soundwill Plaza II – Midtown, Causeway Bay, which officially opened in December 2014
- Revenue from property development was HK\$25 bil, up 1,139%, mainly attributable to the recognition of sales of Park Haven

Earnings and Dividends



Underlying Profit *

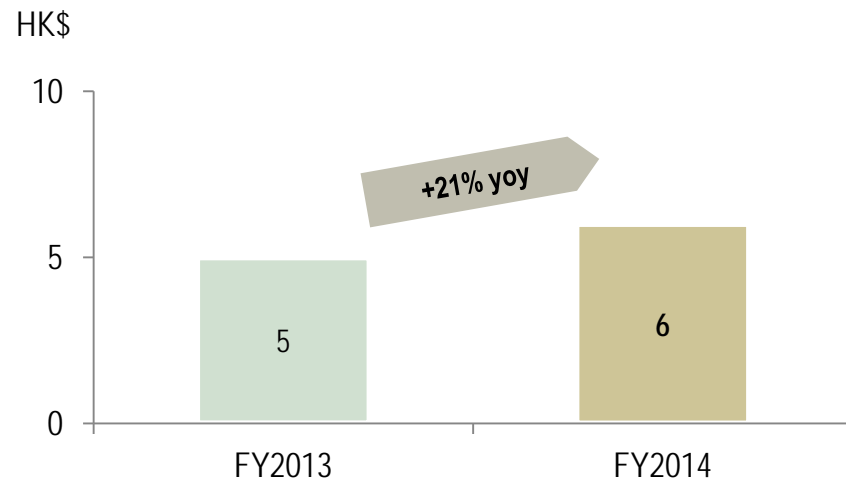


Increase in underlying profit

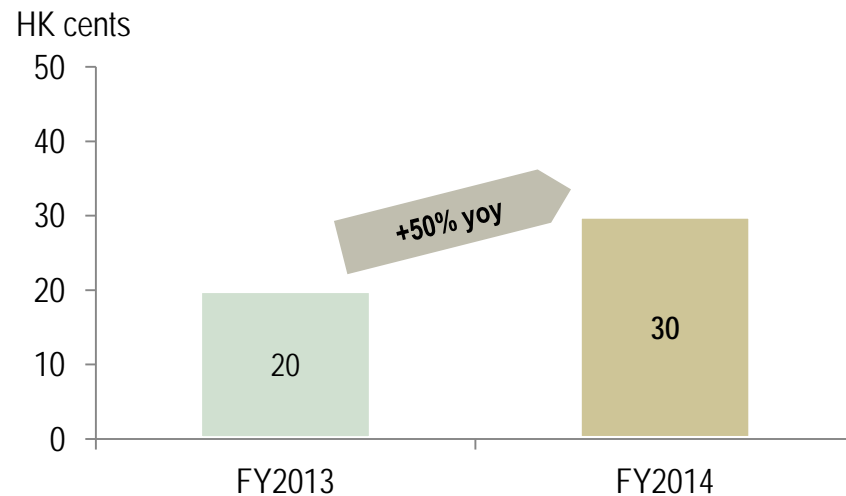
- Mainly due to the recognition of sales revenue from Park Haven

*Exclude net gain on fair value adjustments on investment properties

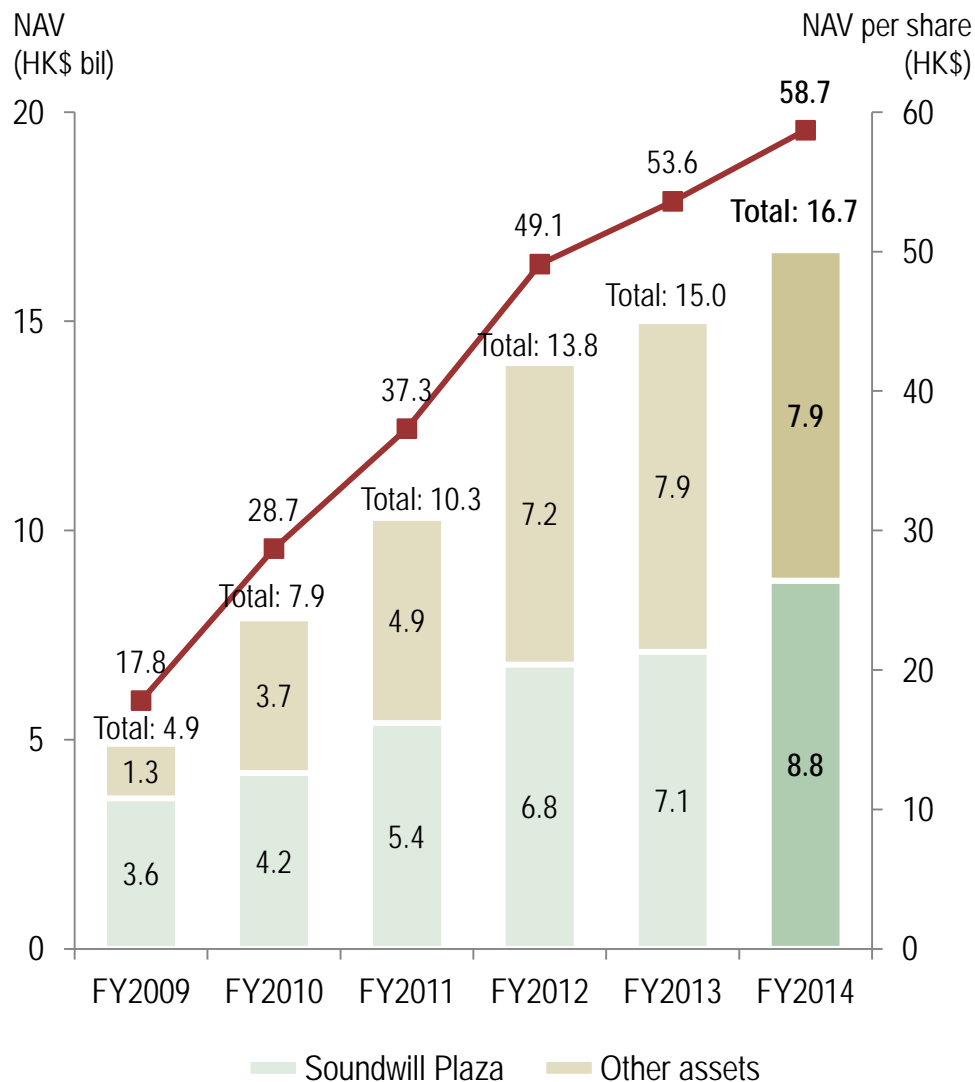
Earnings per share



Dividends per share



Net Asset Overview



NAV per share breakdown

(as at 31 Dec 2014)		HK\$
Soundwill Plaza		27.69
Other assets – Commercial		
Soundwill Plaza II – Midtown		8.17
THE SHARP		4.11
10 Knutsford Terrace		2.71
Other assets – Residential		
Park Haven		1.06
iPlace		1.10
Others		13.86
Total		58.70

Balance Sheet Highlights

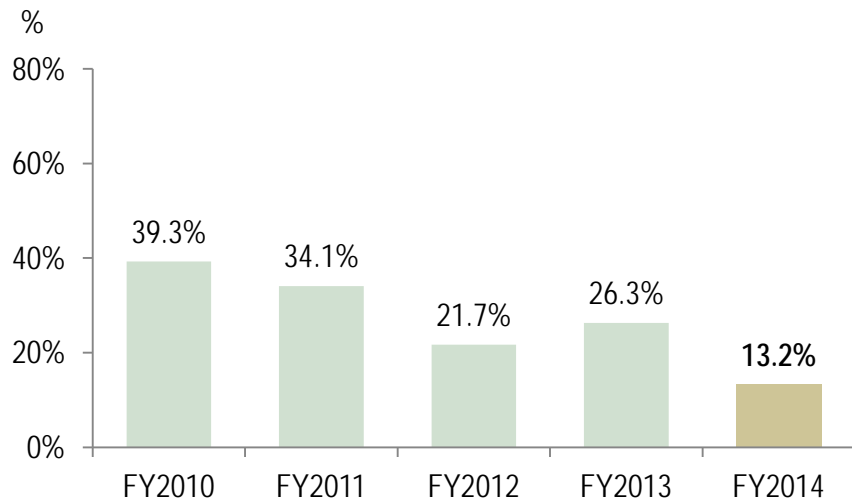


	As at 31 Dec 2013 (HK\$mil)	As at 31 Dec 2014 (HK\$mil)	Change
Total assets	20,823	20,004	↓ 3.9%
Net assets	15,037	16,663	↑ 10.8%
Cash and cash equivalents	415	1,165	↑ 180.7%
Bank deposit at escrow account	298	179	↓ 39.9%
Total debt	3,956	2,198	↓ 44.4%
Gearing ratio	26.3%	13.3%	↓ 13.0 p.p.
Net of cash gearing ratio	23.6%	6.3%	↓ 17.3 p.p.

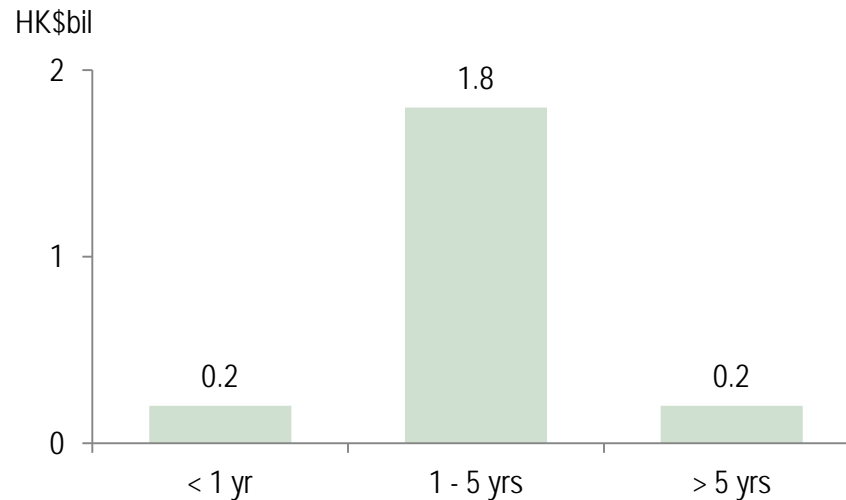
Financial Ratios



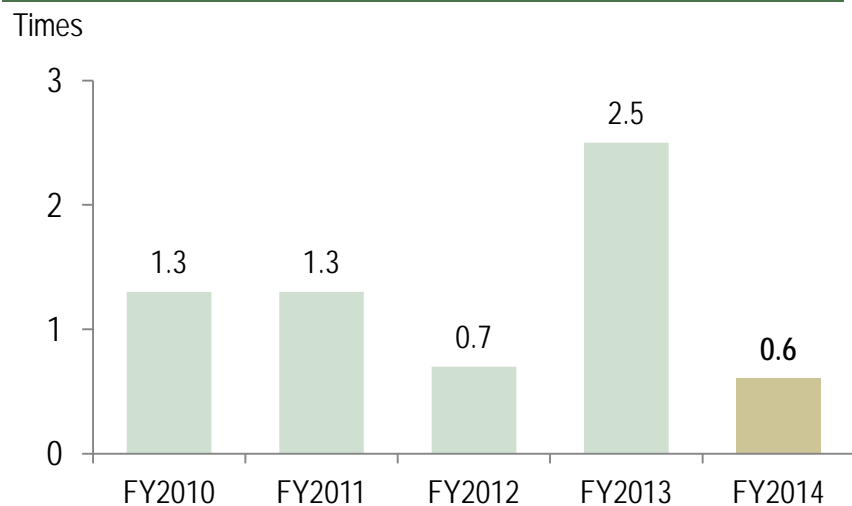
Total Debt / Total Equity



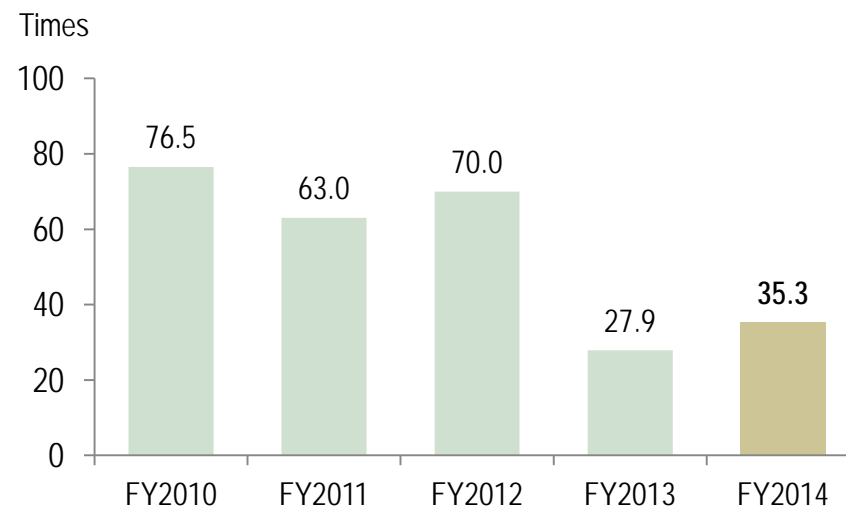
Debt Maturity (as at 31 Dec 2014)



Net Debt / EBITDA



Interest Cover



Resale Transaction: 100% Disposal of Lun Fat Street Project



Realising investment value from existing land assets



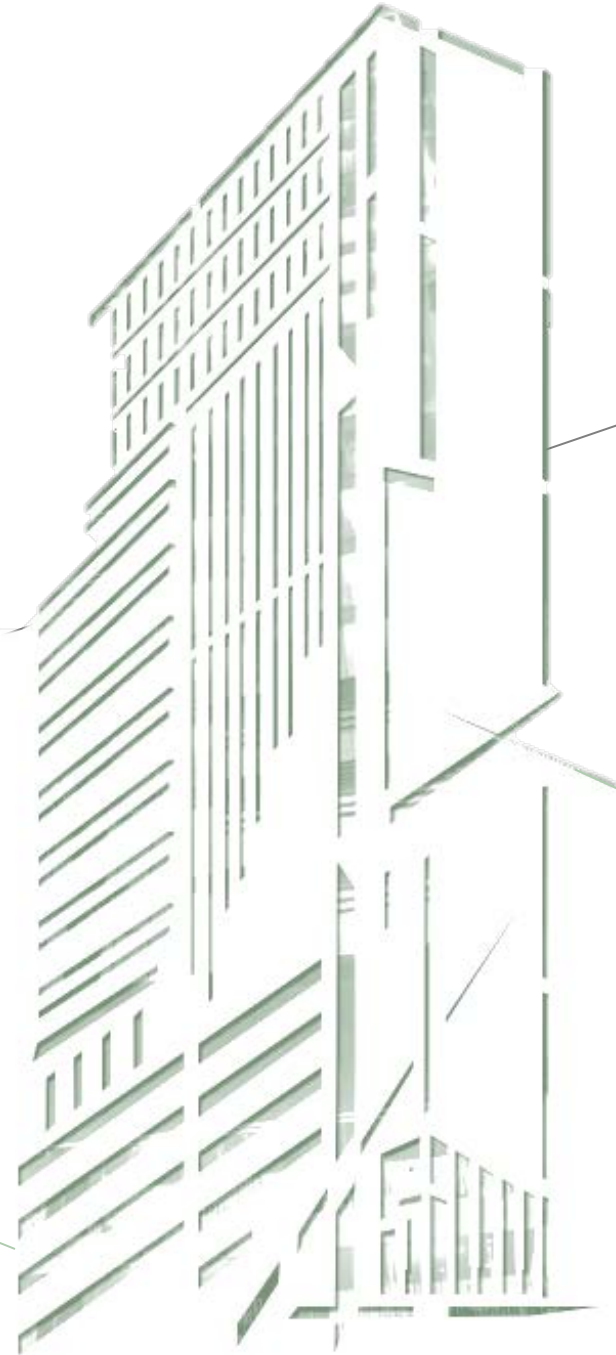
Project overview

Location	:	12 – 24 Lun Fat Street, Wan Chai (灣仔聯發街)
Site area	:	7,000 sq. ft.
Planned GFA	:	63,000 sq. ft.
Zoning	:	Residential development

Transaction details

Date	:	March 2014
Purchaser	:	Wkinv HK Holdings Limited (a subsidiary of Vanke Properties 萬科置業)
Consideration	:	HK\$860 mil (cash inflow in 2014)
Use of proceeds	:	<ul style="list-style-type: none">▪ General working capital▪ For future development

Business Overview



Grade-A Investment Portfolio – Commercial



Top class rental property in the prime location of Causeway Bay

Times Square
時代廣場

Russell St 羅素街

Soundwill Plaza
金·朝·陽·中·心

M
MIDTOWN
Soundwill Plaza II

Tang Lung St 登龍街

Canal Road 聖拿道



Soundwill Plaza, Causeway Bay

- Total leasing GFA : 245,105 sq. ft.
- Prime location in one of the world's most expensive districts
- Destination of choice for international brands

Leasing status (as at 31 Dec 2014)

Floor	GFA (sq. ft.)	Occupancy rate	Avg. rental increase (13 vs 14)
G/F & 1/F	18,269	100%	5%
Upper levels	226,836	95%	7%

Grade-A Investment Portfolio – Commercial



Top class rental property in the prime location of Causeway Bay

Times Square
時代廣場

Russell St 羅素街

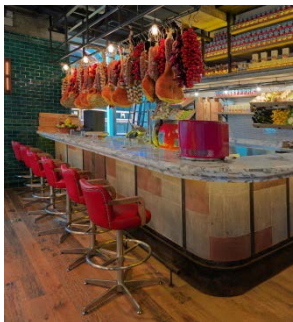
Soundwill Plaza
金·朝·陽·中·心

M
MIDTOWN
Soundwill Plaza II

Tang Lung St 登龍街

Canal Road 堅拿道

New Rental Income
Growth Driver



Soundwill Plaza II Midtown, Causeway Bay

- Total leasing GFA : 218,000 sq. ft.
- Grand opening in Dec 2014
- Midtown POP on 17/F – a 7,000 sq. ft. multi-purpose exhibition platform
E.g. Lamborghini Pop-Up Museum
Art Basel & Le French May

Quality tenants:



Leasing status (as at 31 Dec 2014)

Floor	GFA (sq. ft.)	Occupancy rate
Non-dining	129,090	43%
Dining	88,910	90%
Total	218,000	62%

Grade-A Investment Portfolio – Commercial



New retail complex



THE SHARP, Causeway Bay

- Total leasing GFA : 4,800 sq. ft.
(G/F retail space retained for investment purposes)
- Pre-sold all 29 floors on 3 Jan 2013
 - GFA : 45,900 sq. ft.
 - ASP : HK\$33,600 / sq. ft.
 - Proceeds of HK\$1,500 mil to be recognized in FY2015
- Status
 - To be completed in 2H 2015



New investment property



10 Knutsford Terrace, Tsim Sha Tsui

- Total leasing GFA : 114,000 sq. ft.
- New leasing specifications



Floor	GFA (sq. ft.)	Occupancy rate	Avg. rental increase (FY13 vs FY14)
G/F – 3/F	20,000	100%	--
4/F – 23/F	94,000	79%	26%
Total	114,000	83%	20%

Grade-A Investment Portfolio – Residential



Boutique residences in premium locations



WarrenWoods 尚巒, Tai Hang

- Occupancy date : Oct 2012
- 162 out of 163 units sold
- Proceeds : HK\$1,212 mil (recognized in FY2012)

Status:

- Skyline penthouse reserved for future sale, with a GFA of approx. 3,300 sq. ft.



Park Haven 曦巒, Causeway Bay

- Occupancy date : June 2014
- Pre-sold over 90% of units
- ASP : HK\$22,000 / sq. ft.
- Proceeds : over HK\$2.38 bil recognized in 4H2014

Status:

- Completed in 1H2014



COHO, Causeway Bay

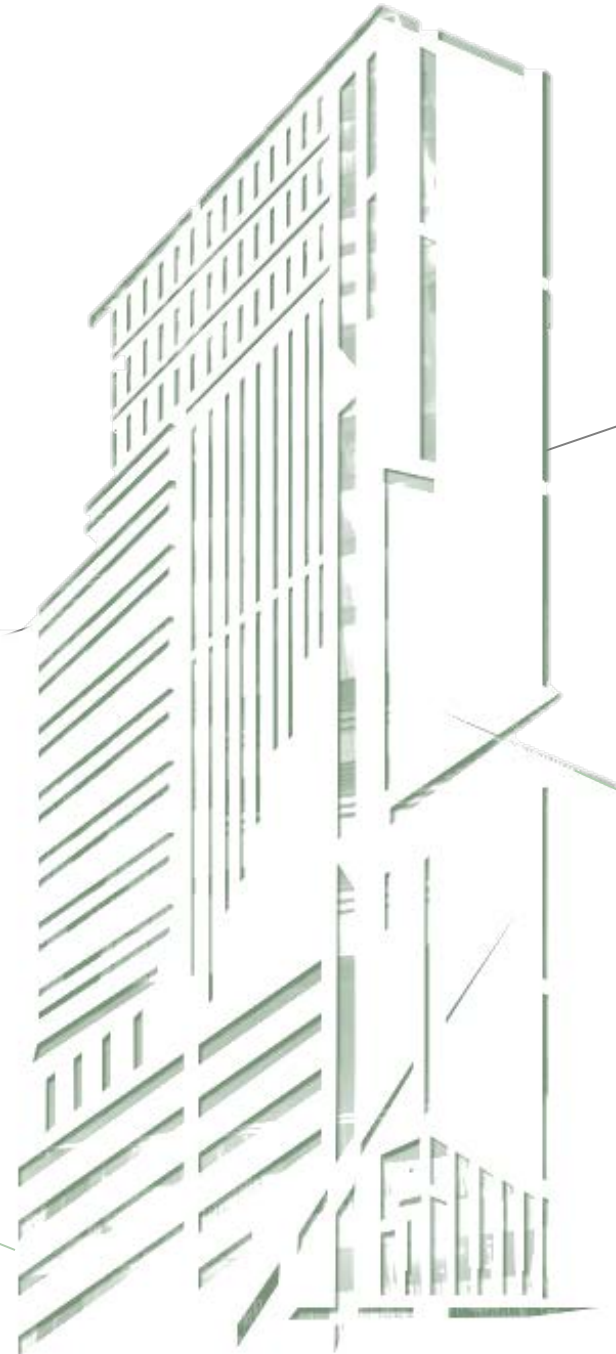
- Est. occupancy date : 2016

Status:

- Offer 46 residential units
 - 44 standard units & 2 specialty units with terraces
- Sale on hold
- 3 units sold







Prospects



Upcoming Catalysts



Growth drivers in 2015

Project	Details	Positive financial impact
<p>1</p>  <p>MIDTOWN Soundwill Plaza II</p>	<ul style="list-style-type: none">▪ Grand opening in December 2014▪ 90% of dining floors has been leased	 <p>Substantial increase in rental income</p>
<p>2</p>  <p>—THE— SHARP CAUSEWAY BAY</p>	<ul style="list-style-type: none">▪ Completion of "THE SHARP" in 2H 2015▪ Proceeds of HK\$1,500 mil to be recognized in FY2015	 <p>Proceeds of HK\$1,500 mil to be recognized in FY2015</p>

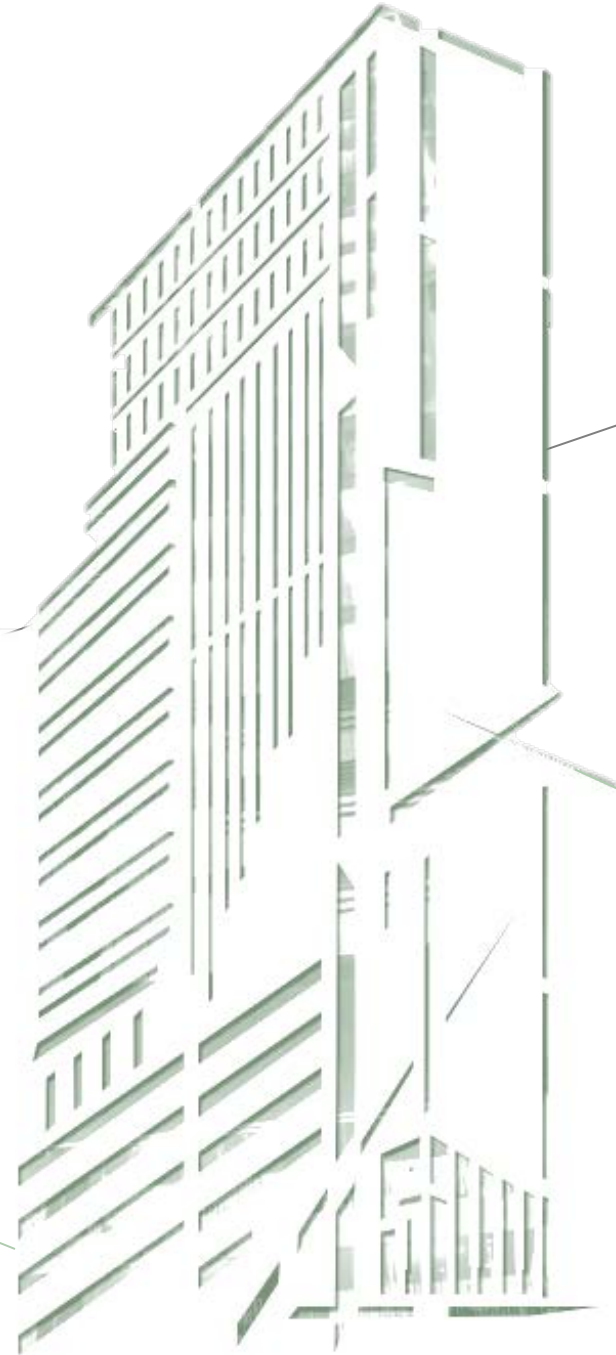
Land Bank & Est. Development Completion Timeline



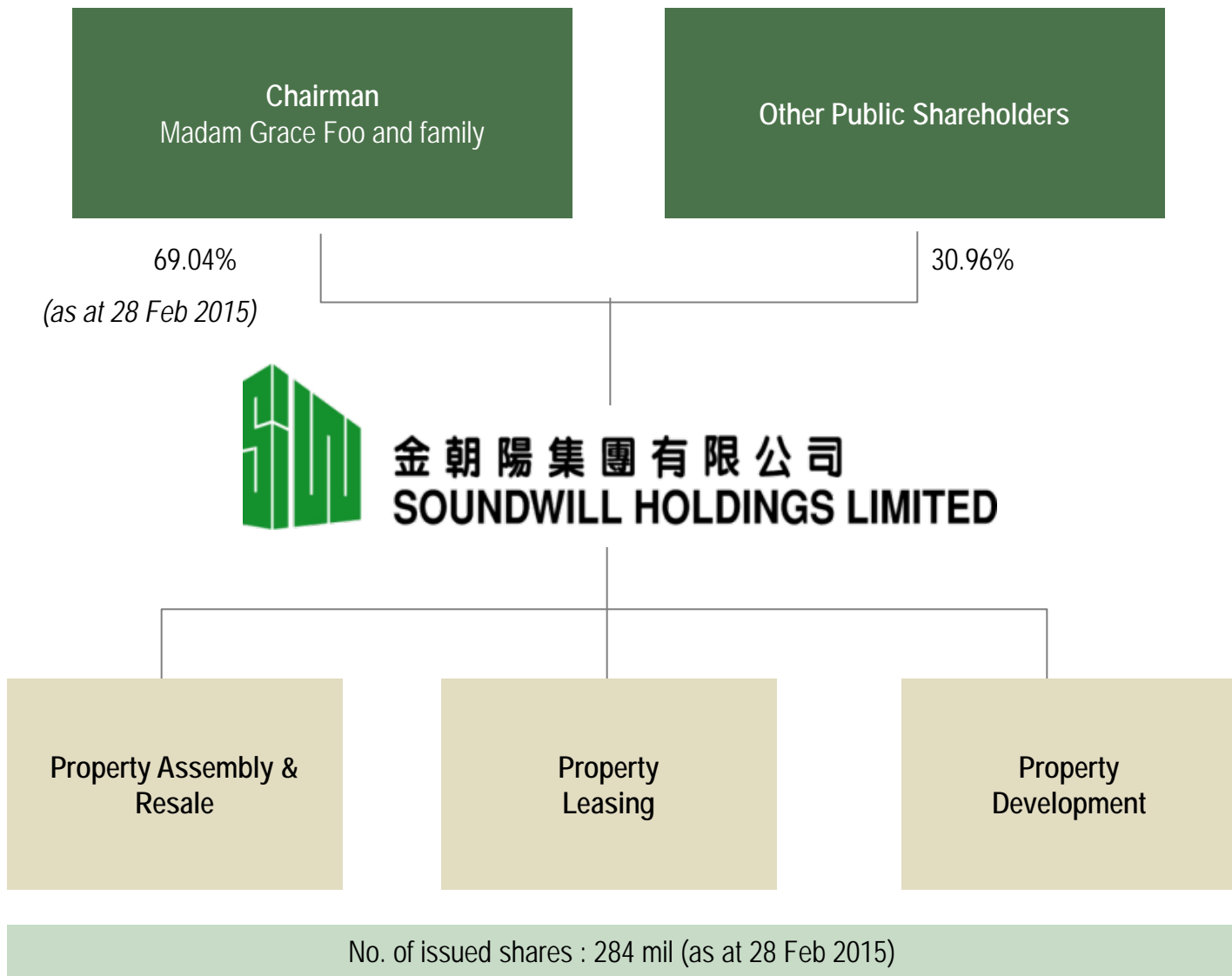
Project location	Development plan	Est. year of completion	
		FY2016	FY2017
 <p>Mid-Levels Mosque St. 摩羅廟街</p>	<ul style="list-style-type: none"> Residential development GFA: 49,000 sq. ft. 	✓	
 <p>「COHO」 Tai Hang School St. 書館街</p>	<ul style="list-style-type: none"> Commercial/residential complex GFA: 23,200 sq. ft. 	✓	
 <p>North Point Kin Wah St. & Fort St. 建華街及堡壘街</p>	<ul style="list-style-type: none"> Residential development GFA: 30,100 sq. ft. 	✓	
 <p>Kwai Chung Castle Peak Road 青山公路</p>	<ul style="list-style-type: none"> Industrial complex GFA: 126,000 sq. ft. 	✓	
 <p>Tai Hang No. 8 Jones St. 重士街8號</p>	<ul style="list-style-type: none"> Residential development (co-develop with Henderson) GFA: 65,200 sq. ft. 		✓
 <p>Kwai Chung Ta Chuen Ping Street 打磚坪街</p>	<ul style="list-style-type: none"> Industrial complex GFA: 190,000 sq. ft. 		

Land bank : 483,500 sq. ft.

Appendix



Shareholding / Corporate Structure



SWP Current Tenants (as at 31 Dec 2014)



32-39/F



3-31/F



Street level



An Iconic British Luxury Brand

Project Overview



	Project	Year unified	Project status
	WarrenWoods 尚巒 (Warren St.)	2009	2010 (commenced pre-sale)
	Soundwill Plaza II – Midtown (Tang Lung St.)	2010	For lease
	Park Haven 曦巒 (Haven St.)	2010	2012 (commenced pre-sale)
	THE SHARP (Sharp St. East & Yiu Wah St.)	2010	2013 (completed pre-sale)
	COHO (School St.)	2011	2014 (Sales on hold)
	Mosque St. 摩羅廟街	2011	Under development
	Lai Yin St. & Jones St. 禮賢街及重士街	2013	2015 (commenced pre-sale)

Thank You

