



Press Release

For Immediate Release
To: Financial Editor

Soundwill Holdings Limited Interim Result 2011
Recorded Profit approx. HK\$1,004,466,000

[Hong Kong – August 24, 2011] Soundwill Holdings Limited (the “Group”; stock code: 0878) announced today its net profit attributable to the owners of the Company was HK\$1,004,466,000 (30 June 2010: HK\$629,549,000), representing an increase of 374,917,000 or 60% over the same period of last year. Mainly generated as a results of fair value adjustment of our investment properties portfolio.

If the gain on fair value adjustment on investment properties were to be excluded, the Group’s net profit attributable to the owners of the Company would be HK\$28,940,000 as compared with the same period of last year of HK\$64,550,000, representing a decrease of 55%. The Company’s basic earnings per share was HK\$4.03 as compared with the same period of last year of HK\$2.62. The net asset value per share was HK\$33.32. During the first half of the year, the Group has recorded a turnover of approximately HK\$145,173,000 (30 June 2010: approximately HK\$245,154,000), representing a decrease of 41% as compared with the same period last year. The Directors do not recommend interim dividend for the six months ended 30 June 2011 (30 June 2010: Nil).

As the Group records appealing results, international long term investors are interested in joining us. This does not only optimize the institutional investor aspect of the Group but also reflects investors’ recognition of our business prospects and asset values.

Besides, the Group has been included in the MSCI HK Small Cap Index as constitute stock since May this year. The Group’s investment prospect is further ascertained by the market and our position among the international capital market is further confirmed.

Looking back to the period starting from last year to now, with severe inflation in Mainland China causing hot money inflow into Hong Kong, visitor’s spending is significantly increasing which in turn stimulate the retail industry of Hong Kong. Rent level of retail shops raise constantly. On the other hand, with limited land supply in Hong Kong, retail shops



in prime locations are rare, top-notch international brands strive to enter core shopping areas despite the high rentals. The Group's flagship rental property, Soundwill Plaza situates in one of the most expensive locations in the world, Russell Street of Causeway Bay. Such location advantage leads to satisfying revenue growth of the Group. Total rent reached HK\$116,057,000, representing a 6% increase compares to that of last year and accounted for 80% income of the period. Soundwill Plaza, the Group's flagship property, recorded satisfying traffic and rental income, maintaining an occupancy rate of 99% during the first half of the year. Rental income was approximately HK\$95,410,000. Approximately 25% of the leases were renewed upon expiry over the same period, maintaining a high level of renewal rate. The other properties of the group pending redevelopment were leased on short terms during the period, contributing a total rental income of approximately HK\$11,475,000. Besides, the income generated from signage rental was approximately HK\$9,172,000 for the first half of 2011. Based on the location, size, area and other conditions of each property, the Group will adhere to the principle of maximizing business value, and prepare the optimal development plan and at the same time continue to carefully select and invest in premium locations to enhance the development plans for old district renewal projects.

Luxurious real estate market of Hong Kong was robust, stimulating investors' self use need towards luxurious properties and their confidence in the return. Coupled with the lowering of compulsory auction threshold sale to 80% by the government for applicable buildings in April last year, the Group's progress in ownership consolidation and redevelopment project have accelerated. As such, we place our emphasis on the core business of old property acquisition, focusing on the prime locations in Hong Kong Island.

At the beginning of the year, the Group successfully acquired the entire ownership of 14-20 Merlin Street, North Point. The site area is approximately 5,297 square feet and the gross floor area is approximately 79,455 square feet. In addition, the Group also acquired 83% ownership to 18-21 School Street, Tai Hang with site area of approximately 2,250 square feet and 87.5% ownership of 13-15 Mercury Street, North Point with site area of approximately 2,580 square feet respectively. Acquisition of the remaining ownerships are undergoing negotiations.

Ms. Vivian Chan, Executive Director of the Soundwill Holdings Limited



said, “Since the establishment of the Group, it has been involved in the development of diversified real estate related business, at the beginning of the year, the Group successfully acquired the full property ownership to 14-20 Merlin Street, North Point. In this month, the Group entered into a sale and purchase agreement at a consideration of HK\$459,280,000. The average selling price of the project is higher than market expectation at approx. HK\$5,780 per square feet. While reflecting the supply of premium locations in Hong Kong Island increasingly rare expensive. In order to further expand the Group’s profit and development to strengthen the Group’s position in the real estate market, we will select certain sites with high potentials for self development.”

Taking our new luxurious residential project, WarrenWoods, at Nos. 13-27 Warren Street in Tai Hang as an example, out of the 164 lofty residential units available, 162 units were sold. Currently only two specialty units are available, such result is truly appreciative. The project is approximately 138 meters in height and definitely will become a new icon of Tai Hang. The project is currently under smooth construction and is scheduled for occupancy in mid 2012, promising an appealing profit for the coming year. In addition, the Group intends to develop the residential project at 32-50 Haven Street, Causeway Bay into a boutique style luxury residence. Total site area of the project is approximately 12,900 square feet. According to the most updated plan, the gross floor area of the project is approximately 103,200 square feet. Foundation is being laid and the Group is considering to launch pre-sale in the second half of the year.

In terms of commercial projects, construction work of the Group’s site at 1-29 Tang Lung Street, Causeway Bay has commenced. The total site area is approximately 12,500 square feet and the gross floor area is approximately 148,800 square feet. The Group will turn the project into a composite development property with retail and office premises. The project is expected to complete in 2013. Located in the heart of Causeway Bay, the property is only a few minutes away from Soundwill Plaza and Times Square. Completion of such project will bring a high synergy effect and further boost the traffic of Causeway Bay and contribute a satisfying and stable rental income to the Group. In addition, the Group also plans to develop the project at 11-13 Sharp Street East and 1-1A Yiu Wa Street, Causeway Bay into a commercial development with a site area of approximately 3,200 square feet and



gross floor area of approximately 48,000 square feet. The demolition work is expected to commence at the end of the year and the new building, when completed, is expected to become another new icon in the area.

Looking back to the period starting from last year to now, different classes in Hong Kong both agree and support the acceleration of old district renewal. We therefore actively take up the role of balancing the housing demand in the urban areas and renewal in old districts. Aiming at building a better Hong Kong for its people, sharing the better living environment with the public and coordinate with and compensate the owners and tenants, we put our corporate citizenship to work. Meanwhile, the Group believes that the property market stabilizing measures implemented by the Government will benefit the long term development of the real estate market.

The Group will continue to leverage on its extensive experiences of over 30 years and vision, strive to expand its urban renewal business, take up urban redevelopment projects, seek new investment opportunities and maximize returns for our shareholders.

About Soundwill Holdings Limited

Soundwill Holdings Limited was established in 1978 and listed on The Stock Exchange of Hong Kong Limited in 1997. As an enterprise with diversified property related interests, the Group has key businesses in property assembling, property leasing, building management, property development as well as infrastructure development in Mainland cities.

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