



## Press Release

### For Immediate Release

To: Financial Editor

### **Soundwill Holdings' Interim Report for First Half of 2009 Satisfactory Financial Position with Approximately 558% Growth in Profit**

**[Hong Kong – September 18, 2009]** Soundwill Holdings Limited (the “Group”; security code: 0878) announced today its profit amounted to HK\$696 million for the first half of the year as of June 30, 2009, which rose by approximately 558% as compared to the same period last year (same period last year: approximately HK\$106 million).

The Group’s net profit, excluding the gain on fair value adjustments net of deferred tax on investment properties, amounted to approximately HK\$205 million, representing an approximately 660% increase as compared to the same period last year (same period last year: HK\$27 million). Earnings per share was HK\$2.91. The net asset value per share is HK\$19. The profit was mainly attributable to the fair value adjustments on investment properties and the growth of the Group’s property assembling business. As compared to the turnover of HK\$113 million in the first six months of last year, the Group recorded an approximately 388% growth in turnover in the same period of 2009. The turnover approximately HK\$553 million during the period under review.

During the period under review, the Hong Kong economy was seen stabilizing progressively. Encouraging factors such as the central government’s Individual



Visit Scheme and enthusiastic responses to new property developments brought the Group's property and retail businesses back onto the ascending track. In regard to property assembling, the Group successfully acquired over 97% of property title to 32 to 50 Haven Street. In addition, the Group disposed of the properties on Jones Street and Warren Street, Tai Hang at HK\$423 million this year. The satisfactory after-tax revenue of approximately HK\$129 million was reflected in the revenue of the first half of the year.

In terms of property leasing, the Group's first-rate commercial and retail flagship property Soundwill Plaza in Causeway Bay was benefited from the recovering local economy and recorded satisfactory traffic and rental income. With approximately 20% of the leases renewed during the period under review, Soundwill Plaza achieved a 99% occupancy rate and a 10% increment in total rental income as compared to the same period last year.

Ms. Vivian Chan, Executive Director of the Soundwill Holdings Limited said, "The development of the Hong Kong economy was weakened amid the global financial crisis last year. Nevertheless, the central and Hong Kong governments' progressive advocacy of relief measures coupled with the downward adjustment of interest rates attracted vast capital into the local market. Investors were also proactively seeking for investment vehicles that could preserve value and counter inflationary pressure, thus benefiting the property market. The property market is believed to grow steadily for the second half of the year. As the Group's properties and retail shops are all in prime locations, it is anticipated that their rental value and occupancy rate will also be benefited as a result."

Regarding property development, the Group planned to construct a new luxury residential development at 13-27 Warren Street, Tai Hang. With a site area of 8,848 sq. ft., the project will provide 164 luxury units in approximately 79,632 sq. ft. total gross floor area. The Group is currently in the midst of designing the architectural blueprint and surrounding environment for the development. It is



expected to be completed after 2011 and generate considerable profit. Furthermore, the Group will redevelop the assembled 5-29 Tang Lung Street, Causeway Bay into a Ginza-style commercial building that will feature international culinary outlets and fashionable labels. This project of approximately 113,600 sq. ft. total gross floor area is anticipated to become the area's brand new consumption hot spot upon completion.

Ms. Vivian Chan continued to reveal that the Group will concentrate on its property investment and rental businesses. The Group will grasp the opportunities in the properties available for redevelopment with sound appreciation potential in order to raise profit margins. At the same time, the Group will focus on property development in the Mainland and in particular will increase the investment ratio on the Guangdong and Fujian provinces to strive for long-term return for its shareholders.

#### **About Soundwill Holdings Limited**

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

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## **June 2009 Interim Result Statement and Definition**

### **1) June 2009 Interim Result Statement and Definition**

	2009.6.30 <u>HKD (Million)</u>	2008.6.30 <u>HKD (Million)</u>	Difference <u>%</u>
Estimated Investment reevaluation (after deduction of deferred tax)	491M	79M	522%
Sales of Assembling Properties (Warren Street and Haven Street)	129M	-	N/A
Hong Kong Properties Rental and Other Businesses	57M	30M	90%
Infrastructure Development Businesses	1M	(3M)	N/A
Selling of Hengqin Island Parcel	<u>18M</u>	=	<u>N/A</u>
Net Profit after Tax	<u>696M</u>	<u>106M</u>	<u>558%</u>

The Group's profit amounted to HK\$696 million for the first half of the year as of June 30, 2009, which rose by approximately 558% as compared to the same period last year (same period last year: approximately HK\$106 million). The Group's net profit, excluding the gain on fair value adjustments net of deferred tax on investment properties, amounted to approximately HK\$205 million, representing an approximately 660% increase as compared to the same period last year (same period last year: HK\$27 million).

## 2) Business Turnover Analyses

	2009.6.30 HKD (Million)	2008.6.30 HKD (Million)	Difference %
Sales of Assembling Properties	423M	-	N/A
Hong Kong Properties Rental and Other Businesses	107M	102M	4.9%
Infrastructure Development Businesses	<u>23M</u>	<u>11M</u>	<u>109%</u>
Net Profit	<u>553M</u>	<u>113M</u>	<u>388%</u>

As compared to the turnover of HK\$113 million in the first six months of last year, the Group recorded an approximately 388% growth in turnover in the same period of 2009. The turnover was approximately HK\$553 million during the period under review. The result was mainly from selling properties on Warren Street and Haven Street in Tai Hang.

## 3) Bank Mortgage and Interests Expenses

	2009.6.30 HKD (Million)	2008.12.31 HKD (Million)	Difference %
Bank Mortgage			
- Liquid Assets	1,106M	707M	
Non Liquid Assets	1,004M	1,713M	
Total Bank Mortgage	<u>2,110M</u>	<u>2,420M</u>	<u>(12.8%)</u>



	2009.6.30 <u>HKD (Million)</u>	2008.6.30 <u>HKD (Million)</u>	Difference <u>%</u>
Interest Expenses	<u>13</u>	<u>33</u>	<u>(61%)</u>

Total Bank Mortgage as compare to 31 December, 2008 was lowered by approximately HKD310 million; interest expenses was lowered by approximately HKD20 million, mainly from the decrease of mortgage and interest rate in general.

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