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To: Business Editor

SOUNDWILL HOLDINGS' RENTAL INCOME FROM PROPERTY LEASING IN HONG KONG INCREASE BY 18%

Soundwill Holdings Limited (the "Group", stock code: 0878) today announced that its turnover for the six months ended 30 June 2007 amounted to approximately HK\$97.9 million, representing an increase of 5% from that of the same period last year, including a 18% growth in rental income of the Group's property leasing business in Hong Kong.

Excluding the effect of gain on fair value adjustment on investment properties, Soundwill Holdings' net profit amounted to approximately HK\$15.6 million (30 June 2006: approximately HK\$22.2 million). The decrease was mainly due to an increase in bank interest expenses which was incurred for additional bank loans of approximately HK\$200 million raised for the acquisition of properties.

The board of directors of the Group did not recommend any interim dividend for the six months ended 30 June 2007 (2006: Nil).

In response to the market trend, the Group made upward adjustment to its rental during the period under review. Soundwill Plaza, the Group's flagship property located in the prime location of Causeway Bay enjoyed an occupancy rate of 100%, together with approximately 20% of leases renewed during the period, income from property leasing of Soundwill Plaza rose by 18%.

"There is a pressing market demand for commercial and office spaces in Causeway Bay. The Group's Soundwill Plaza will, therefore, continue to generate stable recurrent income for the Group. It is estimated approximately 15% of the leases of the building is up for renewal in the second half of 2007, and there will be an increase of 18% in rental income for 2007," said Chan Wai Ling, Executive Director of Soundwill Holdings.

With respect to urban redevelopment, Soundwill Holdings reached agreements to dispose of the property at Bowrington Road, Causeway Bay and the property at Sharp Street East, Causeway Bay respectively in April 2007 and August 2007. As the transaction has been/will be completed in August and November this year, the disposal of these two properties is expected to generate a profit of HK\$136 million to the Group, which will be reflected in the books for the second half of the year.

“Capitalising on its extensive experience in urban redevelopment, the Group had been actively seeking opportunities for redevelopment in vibrant urban districts during the year. The Group expects to complete acquisition of certain redevelopment projects, which are all in prime locations of the Hong Kong Island in 2007. It is the intention of the Group to redevelop and retain certain of the projects as investment properties. In the long-run, this operation will provide the Group’s property development with land resources at a relatively lower cost, as well as and the potential for capital appreciation,” said Chan Wai Ling.

With respect to property development, the Group’s residential property project located in Sai Kung, which will be developed into low rise semi-detached and stand alone luxurious residential blocks, is in its final stage of completion and is expected to complete the disposal within this year. The Group’s Yuen Long low density residential project will commence development by the end of 2007.

For its business in the Mainland China, a number of infrastructure projects in mainland cities are underway and it is expected that revenue generated from these projects will be reflected in the second half of 2007.

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 urban redevelopment, property leasing and management, property development, and urban infrastructure in the PRC.

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Soundwill Holdings Limited
Condensed Consolidated Income Statement
For the six months ended 30 June 2007

	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000
Turnover	97,901	93,504
Cost of sales	<u>(11,195)</u>	<u>(13,852)</u>
Gross profit	86,706	79,652
Other income	1,275	1,727
Administrative expenses	(27,911)	(23,831)
Other operating expenses	(2,612)	(283)
Loss on disposal of a subsidiary	(72)	--
Gain on fair value adjustment on investment properties	192,220	223,868
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Profit from operations	249,606	281,133
Finance costs	(38,940)	(31,993)
Share of profits less losses of associates	(15)	5
Share of profits less losses of a jointly-controlled entity	(8)	(14)
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Profit before income tax	210,643	249,131
Income tax expense	<u>(36,697)</u>	<u>(41,480)</u>
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Profit for the period	<u>173,946</u>	<u>207,651</u>
Attributable to:		
Equity holders of the Company	174,153	206,904
Minority interests	<u>(207)</u>	<u>747</u>
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Profit for the period	<u>173,946</u>	<u>207,651</u>

Earnings per share for profit attributable to the equity holders of the Company

Press release

— Basic
— Diluted

<u>HK\$0.78</u>	<u>HK\$0.93</u>
<u>HK\$0.73</u>	<u>HK\$0.88</u>