



Soundwill Holdings Announces Annual Results for 2005
21 April 2006

Soundwill Holdings Limited Announces Annual Results for 2005 Positive Financial Performance, Dividends to Shareholders

【Hong Kong, 21 April 2006】 Soundwill Holdings Limited (878) announced today the Group's annual results for 2005. During the year, the Group has achieved a profit attributable to equity holders of the Company of approximately HK\$547,432,000, a substantial increase of about 19 times as compared with last year. Earnings per share was HK\$3.41, representing a sharp increase of 13 times over last year. The drastic increase in profit was attributable to a revaluation surplus on investment properties following the adoption of the new accounting standard effective from 1 January 2005 by the Group. If the revaluation gain net of deferred tax of approximately HK\$466,000,000 were to be excluded, the Group's profit for the year would be approximately HK\$81 million (including an amount received from a property related litigation by a subsidiary of the Group), representing an increase of about 203% as compared with last year; underlying earnings per share would be HK\$0.51, an increase of 113% over last year. The Group recorded a turnover of approximately HK\$162,631,000, representing an increase of about 21% over last year. As at 31 December 2005, the Group's net asset amounted to approximately HK\$2,200,000,000, an increase of about 51% as compared with the end of 2004, and the total number of shares in issue was about 222,222,113, NAV (net asset value) per share was around HK\$9.8 representing a significant discount to the share's market price. In view of the Group's positive results and healthy financial position, the Board of Directors recommended the payment of a final dividend per share for the year ended 31 December 2005 of HK\$0.035, an increase of about 40% as compared with 2004.

In property leasing, the traffic flow and occupancy of Soundwill Plaza, the Group's flagship property at prime commercial and retail location in Causeway Bay was robust recording an outstanding occupancy rate of near 100% throughout the year generating stable and respectable rental revenue of approximately HK\$100 million for the Group. Driven by the continued improvement in market conditions, Soundwill Plaza's unit rental rates increased by about 20% as compared with last year. Rental rates of certain ground floor retail shops have even doubled.

In property development, the Group's low-density residential projects located in Yuen Long and Sai Kung of the New Territories occupy a total site area of approximately 300,000 square feet and a gross floor area of approximately 200,000 square feet. The Sai Kung project is under construction and scheduled for completion in phases from the end of 2006 and onwards.

In respect of urban redevelopment, the Group continues to focus on urban redevelopment and has proactively commenced acquisition of potential old districts last year. The Group is optimistic towards completing acquisition of certain old district in 2006. This is expected to replenish the Group's land for construction as well as enhance its profitability.

The Group's two property management companies, Goldwell Property Management Limited and Strong Well Property Management Limited as well as Goldprofit (Consultants) Services Company Limited, which specializes in maintenance and repair of engineering and electrical systems, recorded an aggregate revenue of approximately HK\$12,762,000, representing approximately 23% increase as compared with last year.

Looking forward, with improved economy, employment prospects, rise in income as well as the steadily expanding in-bound tourism, the local retail and property markets are expected to remain vibrant. A number of leasing contracts of Soundwill Plaza will be due for renewal in 2006, rental rates are expected to rise about 10% to 20%. Also, the Group's Sai Kung low-density residential project, presently under construction, is expected to offer for sale in 2007, bringing in new profit stream for the Group.