

A niche property play with quality assets in Causeway Bay



2016 Interim Results



**金朝陽集團有限公司
SOUNDWILL HOLDINGS LIMITED**

Stock code: 878.HK



Disclaimer

This presentation has been prepared by **Soundwill Holdings Limited** (the “Company”) solely for information purposes and does not constitute an offer, recommendation or invitation to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.

The information contained in this presentation has been taken from sources deemed reliable by the Company. However, no representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained herein and none of the Company and/or its affiliated companies and/or their respective employees and/or agents accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this presentation or as to any information contained in this presentation remaining unchanged after the issue thereof.

This document may contain statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives, and other statements relating to our future business development and economic performance. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other statutory requirements may render actual developments and results to differ materially from our expectations.

The Company and/or its affiliated companies and/or their respective employees and /or agents will not assume the liabilities arising from the usage and explanation of the information contained in this document or the actions or claims in respect thereof (including, without limitations for any claim, proceedings, action, losses, expenses, damages or costs).

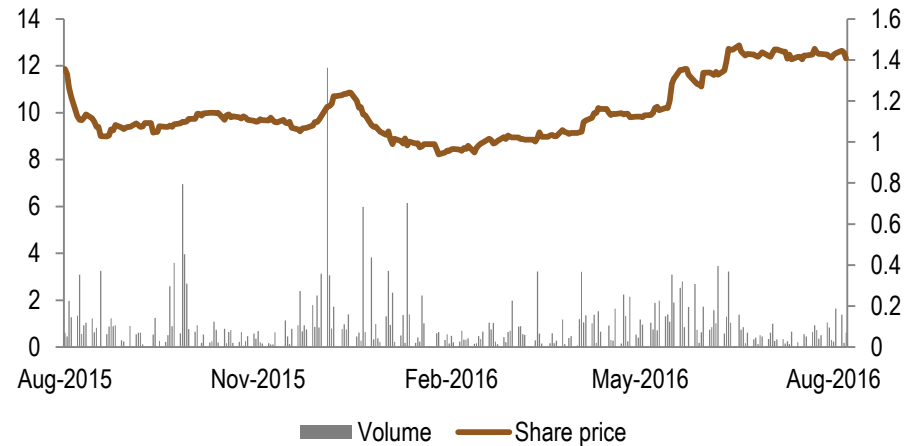
This document (and the information contained herein) is not for publication or distribution to any person(s) except as permitted by us.

Company Overview

About Soundwill

Stock code	: 878.HK
Listing date	: March 1997
No. of issued share capital (as at 24 Aug 2016)	: 283,308,635 shares
Share price (as at 24 Aug 2016)	: HK\$12.32
Market cap (as at 24 Aug 2016)	: HK\$3.490 billion

Stock Price Performance



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

- 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

Property Investment



Commercial



Residential



Industrial





Milestone

Causeway Bay



1954



Soundwill Plaza I



2004



Soundwill Plaza II -Midtown



2010



Park Haven

Causeway Bay



2010



THE SHARP



2010



COHO

Tai Hang



2016



WarrenWoods



2014



Ta Chuen Ping St. Project

Kwai Chung



2016



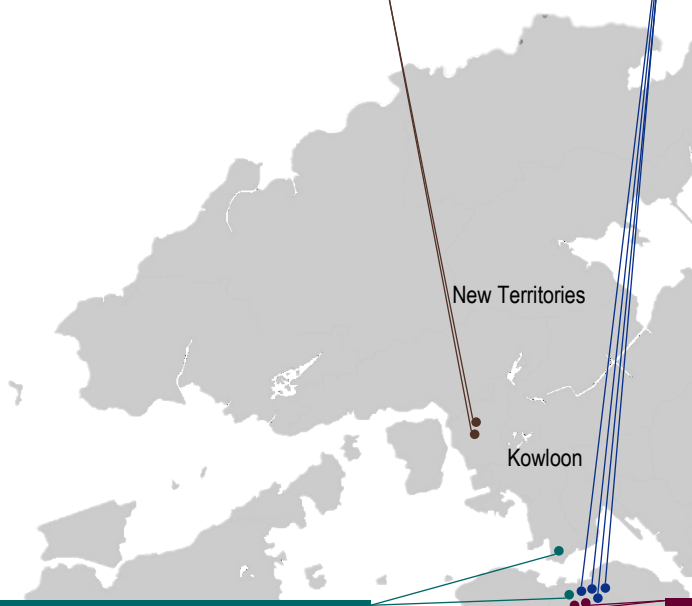
iPLACE

Soundwill's Footprint

Industrial



Residential



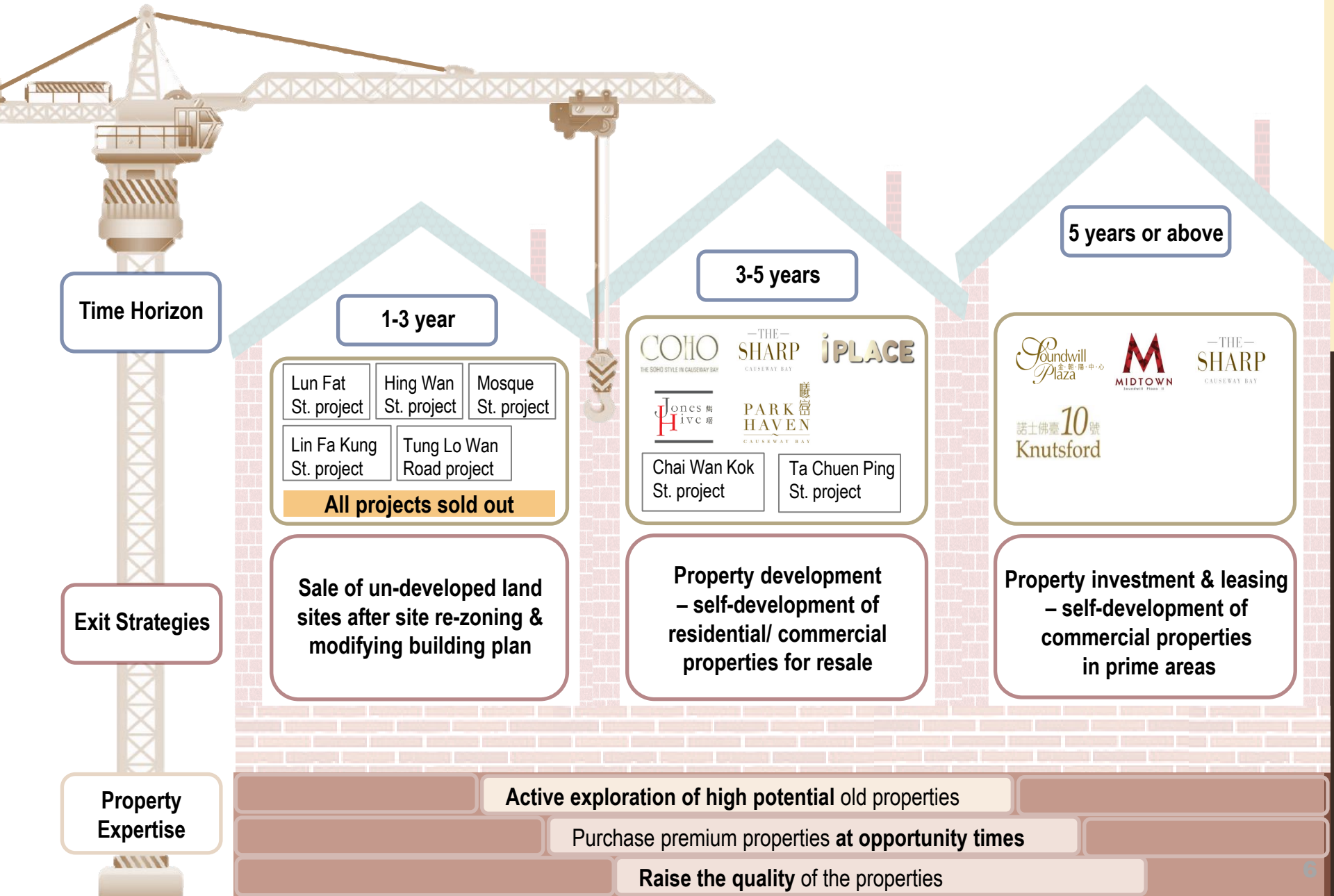
Commercial



Property Investment



Company Strategies



Time Horizon

1-3 year

3-5 years

5 years or above

Lun Fat St. project	Hing Wan St. project	Mosque St. project
Lin Fa Kung St. project	Tung Lo Wan Road project	

All projects sold out

COHO THE SOHO STYLE IN CAUSEWAY BAY	-THE- SHARP CAUSEWAY BAY	iPLACE
Jones HIVE	曉 PARK HAVEN CAUSEWAY BAY	
Chai Wan Kok St. project	Ta Chuen Ping St. project	

Soundwill Plaza 金豐閣中心	M MIDTOWN Soundwell Plaza II	-THE- SHARP CAUSEWAY BAY
諾士佛臺 10號 Knutsford		

Exit Strategies

Sale of un-developed land sites after site re-zoning & modifying building plan

Property development – self-development of residential/ commercial properties for resale

Property investment & leasing – self-development of commercial properties in prime areas

Property Expertise

	Active exploration of high potential old properties	
	Purchase premium properties at opportunity times	
	Raise the quality of the properties	

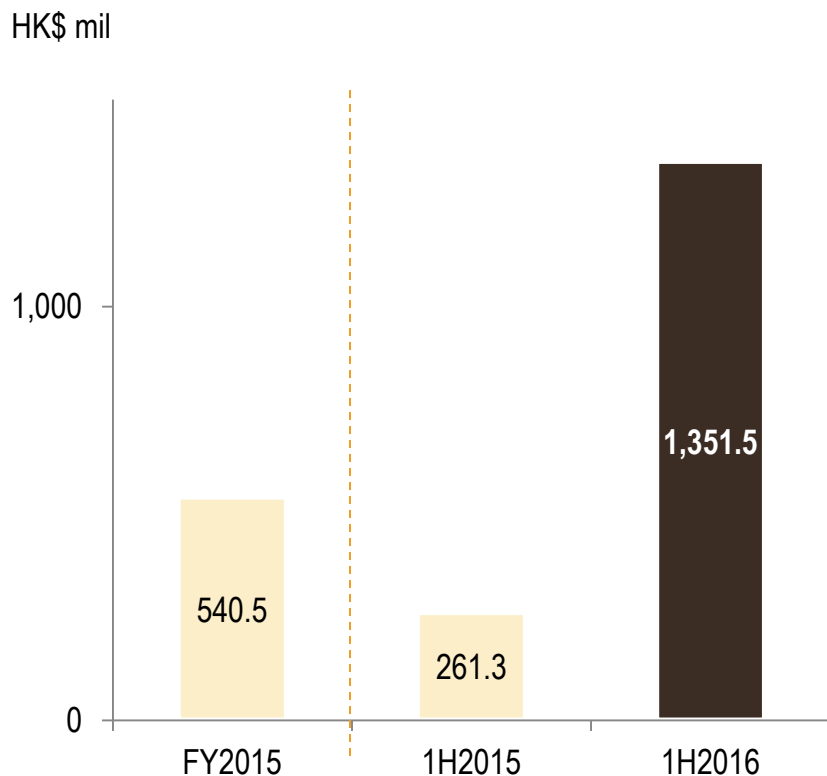
2016 Interim Results



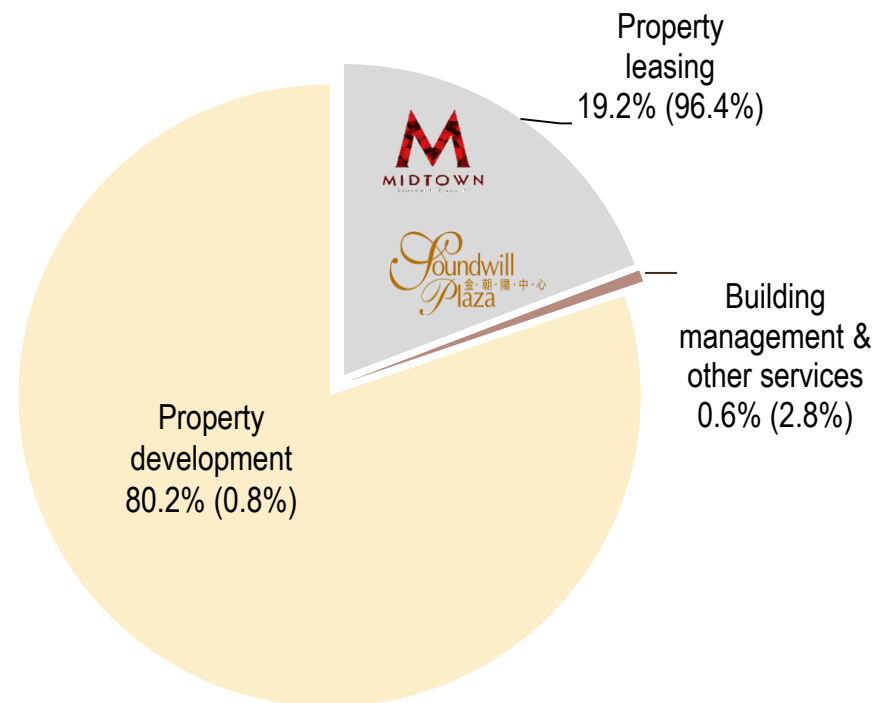


2016 Interim Results Highlights

Revenue



Revenue by business segments



(Comparative figures of 1H2015 in parentheses)

Revenue composition

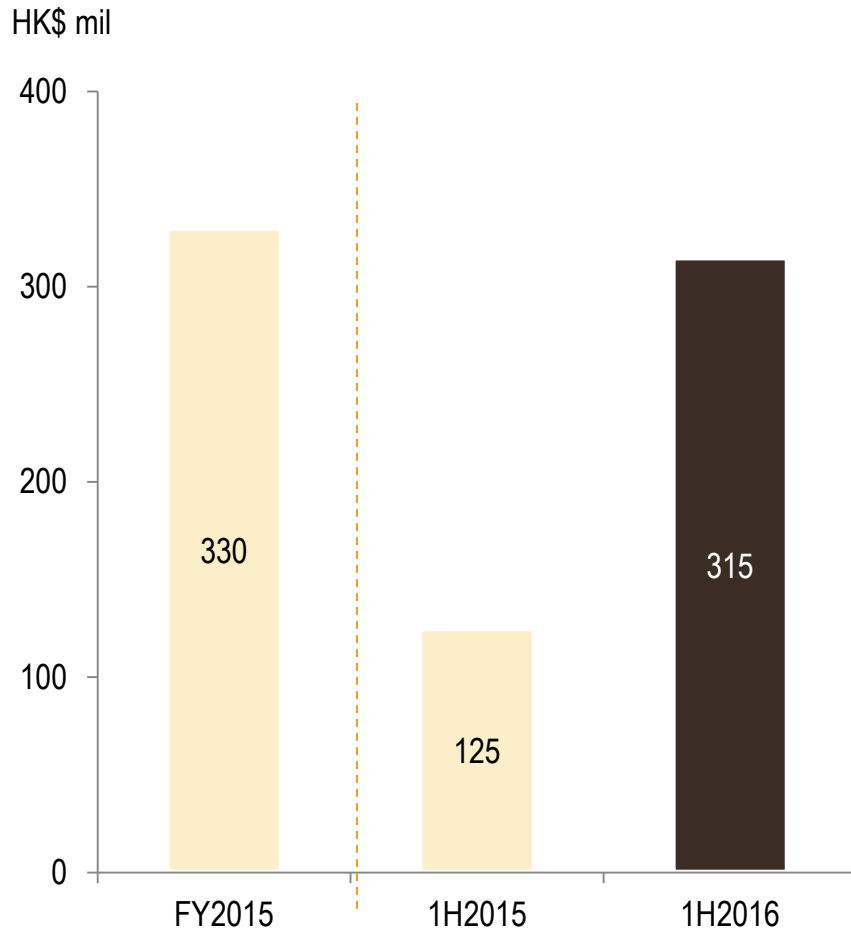
- Property development: Sales of properties under development
- Property leasing: Rental and signage rental income
- Building management and other services

- The Group started the delivery of different floors of THE SHARP in March 2016
- Soundwill Plaza and Midtown continued to maintain high occupancy rate at over 90%

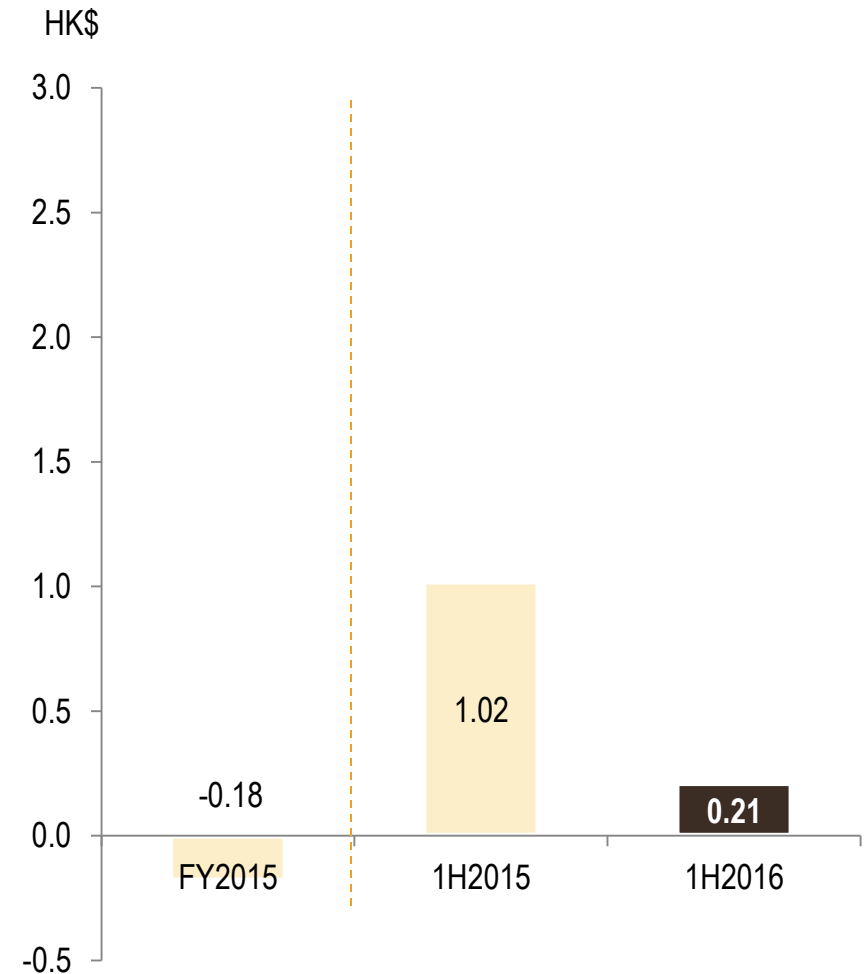


Earnings

Underlying Profit *

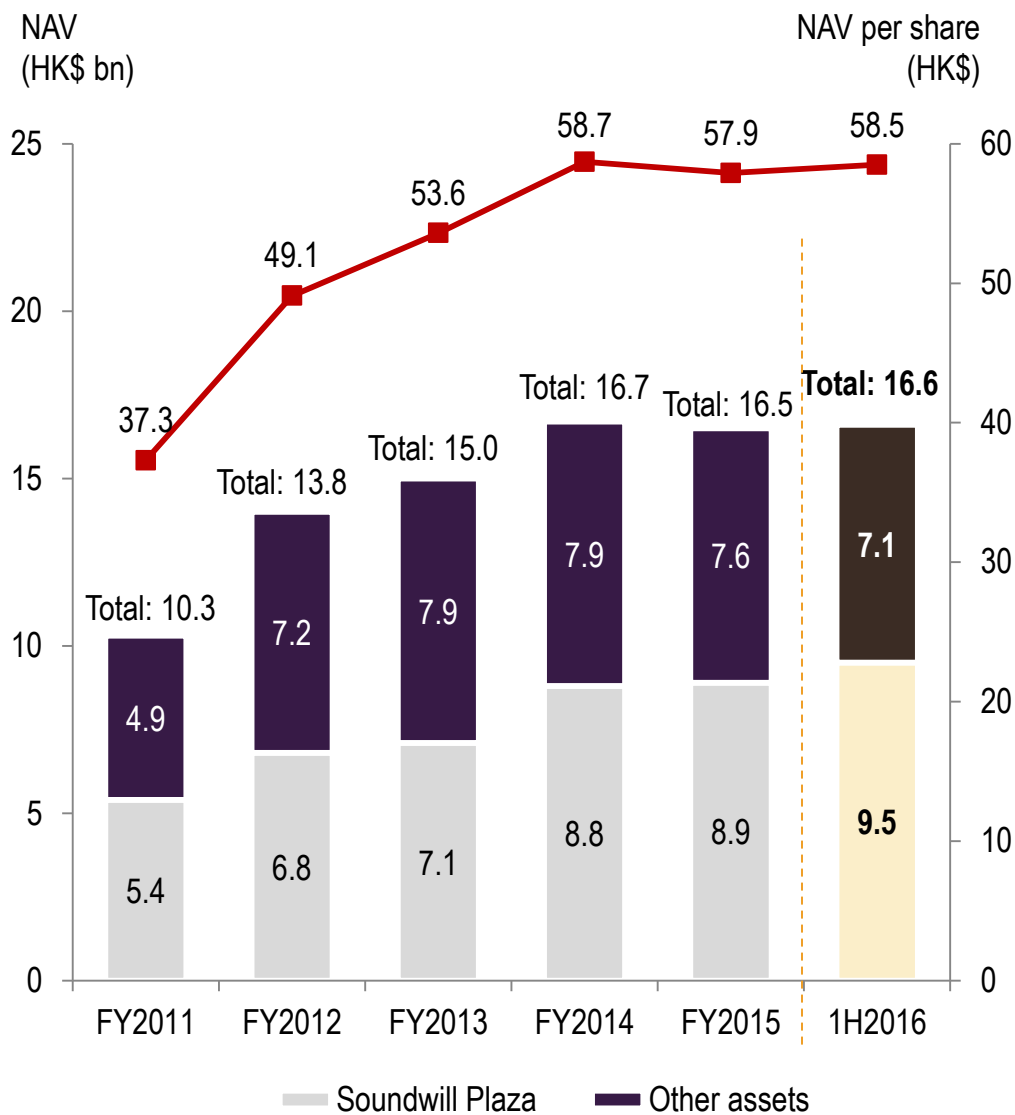


Basic earnings/(loss) per share



*Exclude net gain/(loss) on fair value adjustments on investment properties and gain on disposal of subsidiaries

Net Asset Overview



NAV per share breakdown

(as at 30 Jun 2016)		HK\$
Soundwill Plaza		25.1
Other assets – Commercial		
Soundwill Plaza II – Midtown		7.8
THE SHARP		2.7
10 Knutsford Terrace		2.9
Other assets – Residential		
Park Haven		0.8
Others		15.0
Other assets – Industrial		
iPLACE		1.4
Ta Chuen Ping Street		1.8
Chai Wan Kok Street		1.0
Total		58.5



Balance Sheet Highlights

<i>HK\$ mil</i>	As at 31 Dec 2015 (HK\$mil)	As at 30 Jun 2016 (HK\$mil)	Change
Total assets	19,963	20,064	↑ 0.5%
Net assets	16,531	16,573	↑ 0.3%
Cash and cash equivalents	374	1,473	↑ 293.9%
Bank deposit at escrow account	346	260	↓ 24.9%
Total borrowings	2,137	1,987	↓ 7.0%
Gearing ratio*	13%	12%	↓ 1 p.p.
Net of cash gearing ratio[#]	11%	3%	↓ 8 p.p.

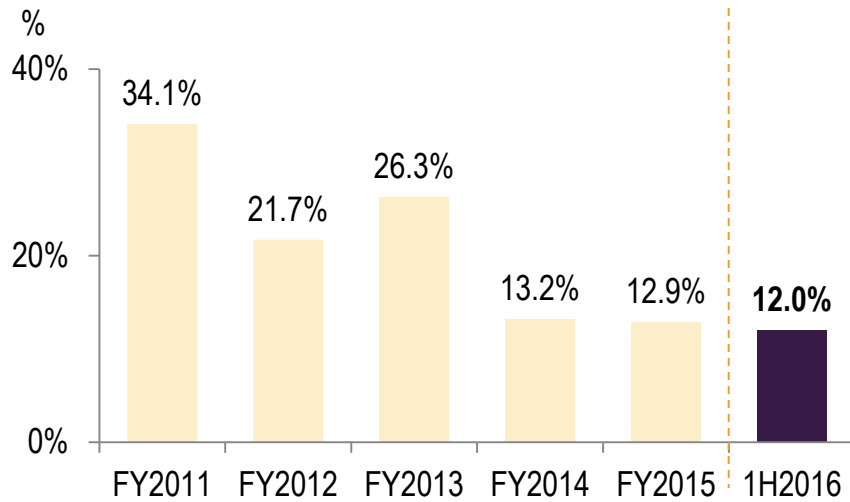
* Gearing ratio = Total debt / Total equity

[#] Net of cash gearing ratio = (Total borrowings – Cash and cash equivalents) / Total equity

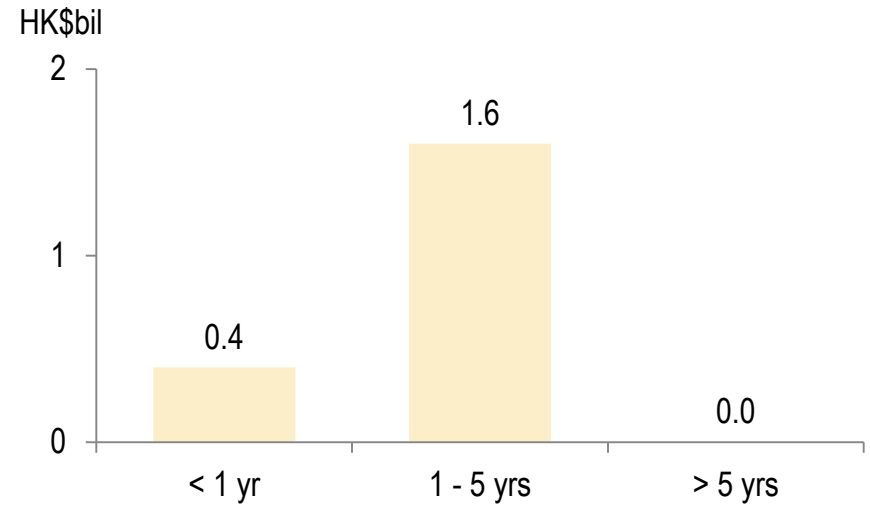


Financial Ratios

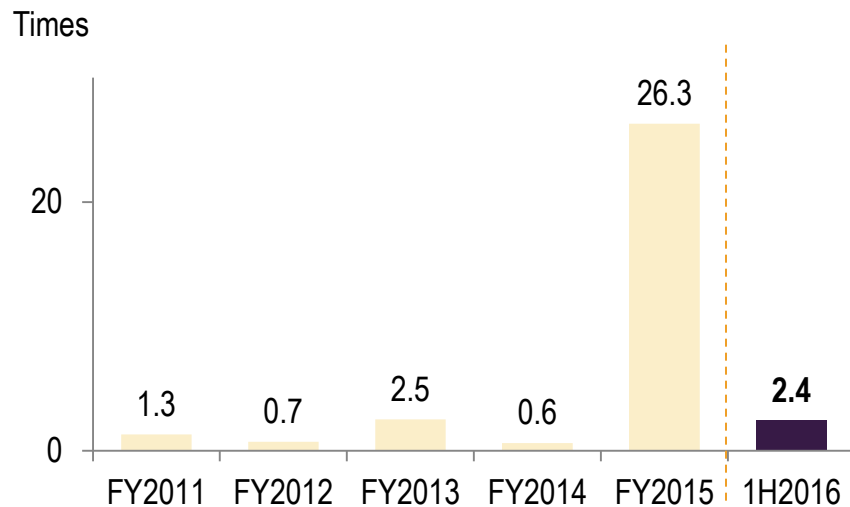
Total Debt / Total Equity



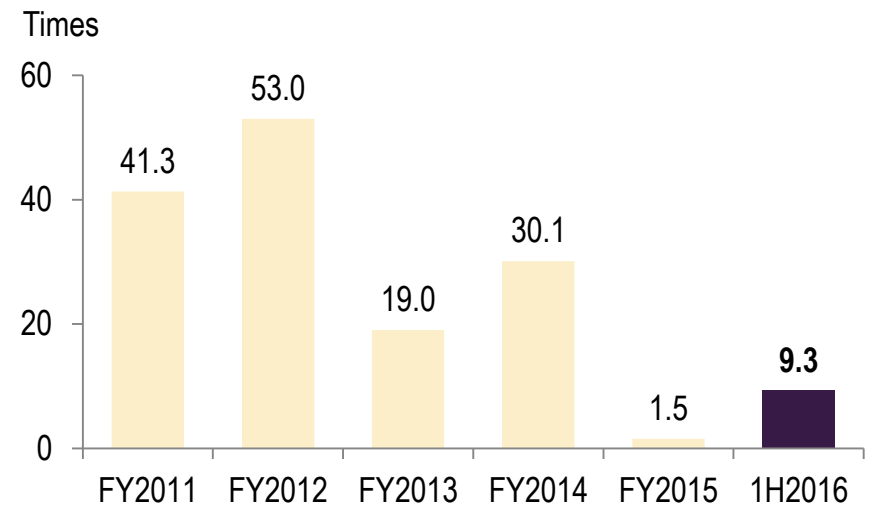
Debt Maturity (as at 30 Jun 2016)



Net Debt / EBITDA



Interest Cover



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 Phase 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 Jun 2016)

Floor	GFA (sq. ft.)	Occupancy rate	Avg. rental increase (2014 vs 2015)
G/F & 1/F	18,269	100.00%	2.59%
Upper levels	226,836	97.19%	3.84%

SWP Current Tenants (as at 30 Jun 2016)



32-39/F



3-31/F

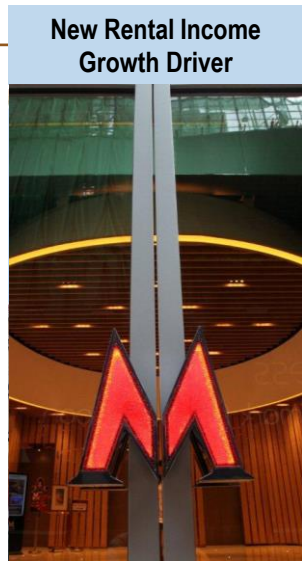


Street level



Grade-A Investment Portfolio – Commercial

Top class rental property in the prime location of Causeway Bay



Soundwill Plaza II Midtown, Causeway Bay

- Total leasing GFA : 218,000 sq. ft.
- Grand opening in Dec 2014
- Midtown POP on 17/F & 18/F – a 15,895 sq. ft. multi-purpose exhibition platform
E.g. Lamborghini Pop-Up Museum, Art Basel & Le French May

Quality tenants:



Leasing status (as at 31 Jun 2016)

Floor	GFA (sq. ft.)	Occupancy rate
Non-dining	129,090	74.58%
Dining	88,910	100.00%
Total	218,000	87.41%

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.
- Status
 - Delivered in March 2016 and the revenue booked accordingly

—THE—
SHARP
CAUSEWAY BAY

New investment property



10 Knutsford Terrace, Tsim Sha Tsui

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

諾士佛臺 **10** 號
Knutsford

Floor	GFA (sq. ft.)	Occupancy rate	Avg. rental increase (1H14vs 1H15)
G/F – 3/F	20,000	100.00%	0%
4/F – 23/F	94,000	85.00%	3.00%
Total	114,000	87.00%	2.00%

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 was sold on 2 January 2016
- Proceeds : HK\$143,630,000 (recognized in 1H2016)



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 2H2014)

Status:

- Completed in 1H2014



COHO, Tai Hang

- Est. occupancy date : 4Q2016







Status:

- Offer 46 residential units
 - 44 standard units & 2 specialty units with terraces
 - 43 units reserved for property investment and leasing





Land Bank & Est. Development Completion Timeline

Project location	Development plan	Est. year of completion		
		FY2016	FY2017	FY2018
 <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>「iPLACE」 Kwai Chung Castle Peak Road 青山公路</p>	<ul style="list-style-type: none"> Industrial complex GFA: 126,000 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>「Jones Hive」 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. 			✓
 <p>Tsuen wan Chai Wan Kok Street 柴灣角街</p>	<ul style="list-style-type: none"> Industrial complex GFA: 114,000 sq. ft. 			✓

Land bank : 597,500 sq. ft.

Appendix











Shareholding / Corporate Structure



No. of issued shares : 283,308,635 shares (as at 24 August 2016)



Unified Projects Overview

	Project	Year unified	Project status
	WarrenWoods 尚巒 (Warren St.)	2009	Completed in 2012
	Soundwill Plaza II – Midtown (Tang Lung St.)	2010	For lease
	Park Haven 曠巒 (Haven St.)	2010	Completed in 2014
	THE SHARP (Sharp St. East & Yiu Wah St.)	2010	Delivered in 2016
	COHO (School St.)	2011	For lease
	Lai Yin St. & Jones St. 禮賢街及重士街	2013	Pre-sale commenced in 1H2015

Thank You

