



金朝陽集團有限公司  
SOUNDWILL HOLDINGS LIMITED

Stock code: 878.HK

## 2014 Interim Results

*A niche property play with quality assets in Causeway Bay*



—THE—  
SHARP  
CAUSEWAY BAY



M  
MIDTOWN  
Soundwill Plaza II



Soundwill  
Plaza  
金·朝·陽·中·心



Park  
Haven  
S.O. 18 HAVEN STREET

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# Investment Highlights

## 1 Profit Contributors in 1H 2014

- ❖ New stream of leasing income of HK\$5mil from “*Soundwill Plaza II Midtown*”
- ❖ “*Park Haven*” has been completed, proceeds of HK\$2.4bil will be recognized in 2H2014
- ❖ Disposal of certain agricultural lands in new territories with a gain of approximately HK\$102mil



## 2 Quality Commercial Property Portfolio

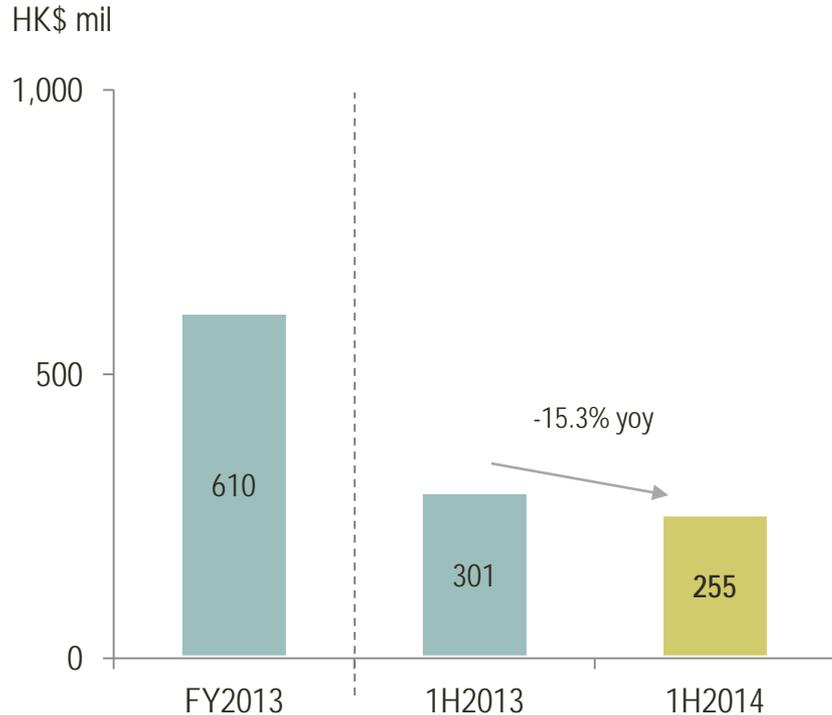
- ❖ A premium landlord in Hong Kong’s core commercial districts
  - Leasing GFA of approx. 467,905 sq. ft. in Causeway Bay (*Soundwill Plaza, Soundwill Plaza II Midtown, THE SHARP*)
  - Leasing GFA of approx. 114,000 sq. ft. in Tsim Sha Tsui (*10 Knutsford Terrace*)
- ❖ Flagship investment property “*Soundwill Plaza*” a strong financial anchor
  - Rental income increased by 11%yoy in 1H2014 compared with 1H2013
  - Provides strong recurring cash flow to support future developments
- ❖ Soft opening of “*Soundwill Plaza II Midtown*” further enhances recurring income
  - 80% of dining floors has been leased by top-class restaurants such as Jamie’s Italian and Penthouse by Harlan Goldstein

## 3 Steady Development Pipeline with Successful Track Record

- ❖ Proven track record in residential and commercial property sale & development
  - Successful residential projects: “*WARRENWOODS*” & “*Park Haven*”
  - 24-hr vertical retail complex “*THE SHARP*” currently hold the highest transaction price record in CWB
- ❖ Project development pipeline
  - Development land bank of [293,500] sq. ft. (as at 30 June 2014)
  - 5 new projects scheduled for completion between 2016 – 2017
    - Mosque St. Project
    - School St. Project 「*COHO*」
    - Kin Wah & Fort St. Project
    - Castle Peak Road Project
    - Lai Yin & Jones St. Project

# 2014 Interim Results Highlights

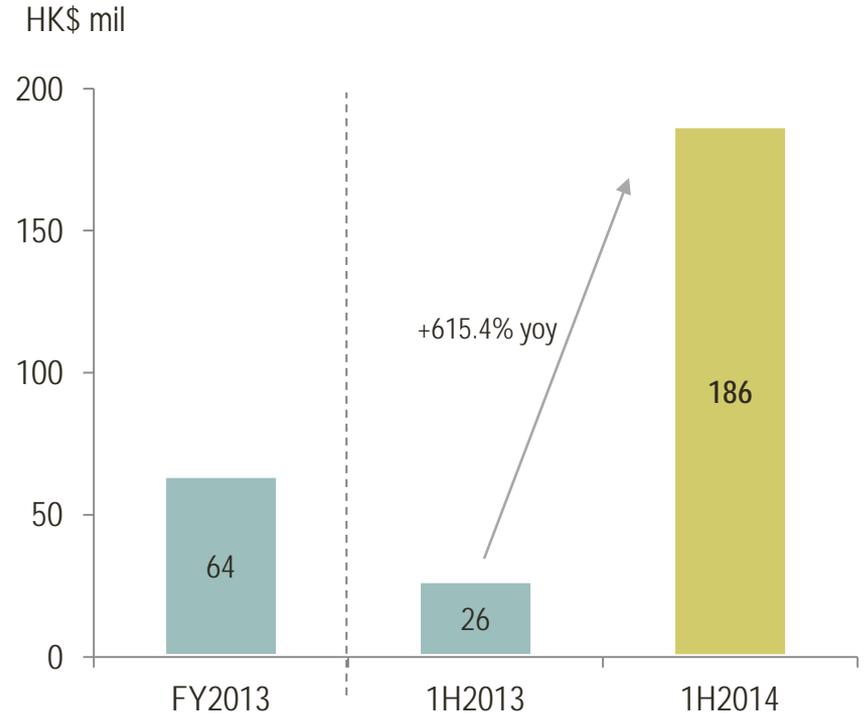
## Revenue



### Decrease in turnover

- Decrease in sales revenue from property development projects in Mainland China

## Underlying Profit \*\*



### Increase in underlying profit:

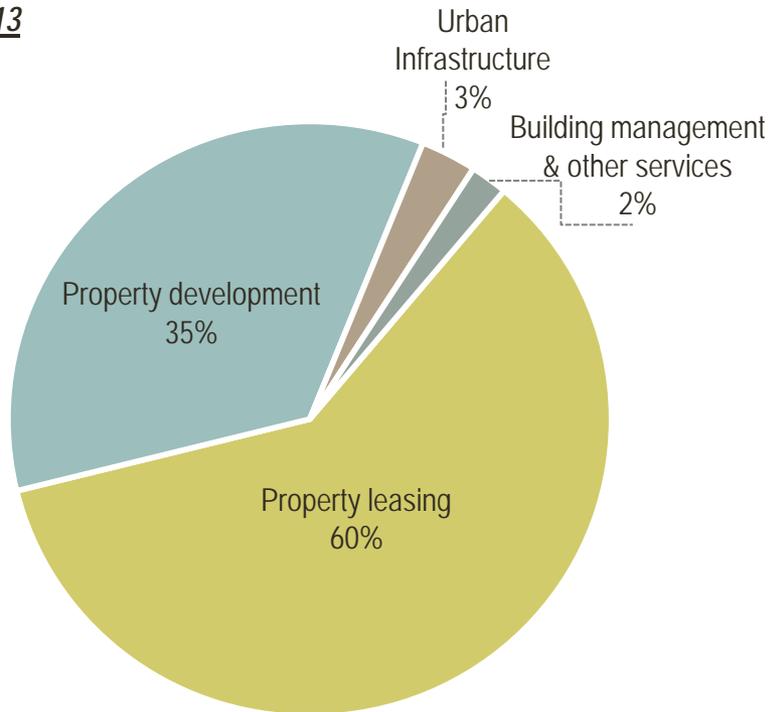
- HK\$102 mil gain from disposal of subsidiaries

\*\*Exclude net gain on fair value adjustments on investment properties

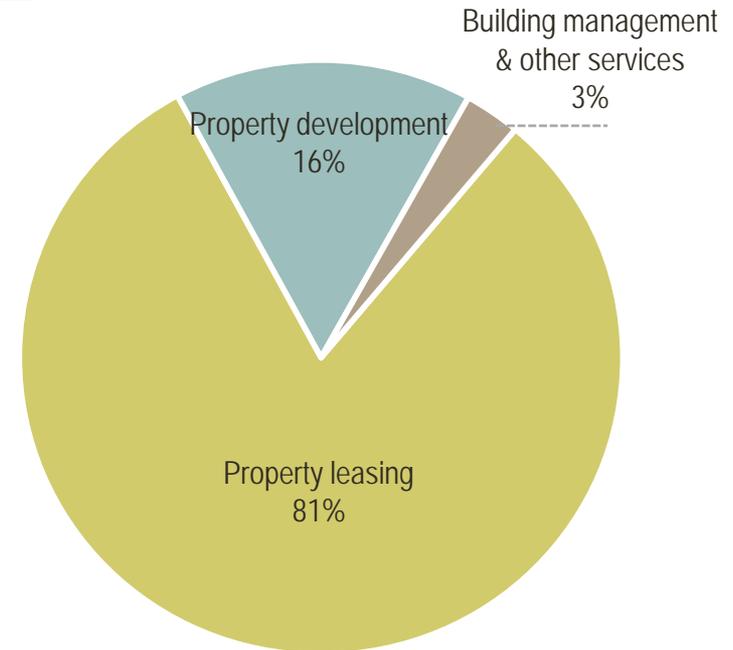
# Business Segments

## Revenue by Business Segments

1H2013

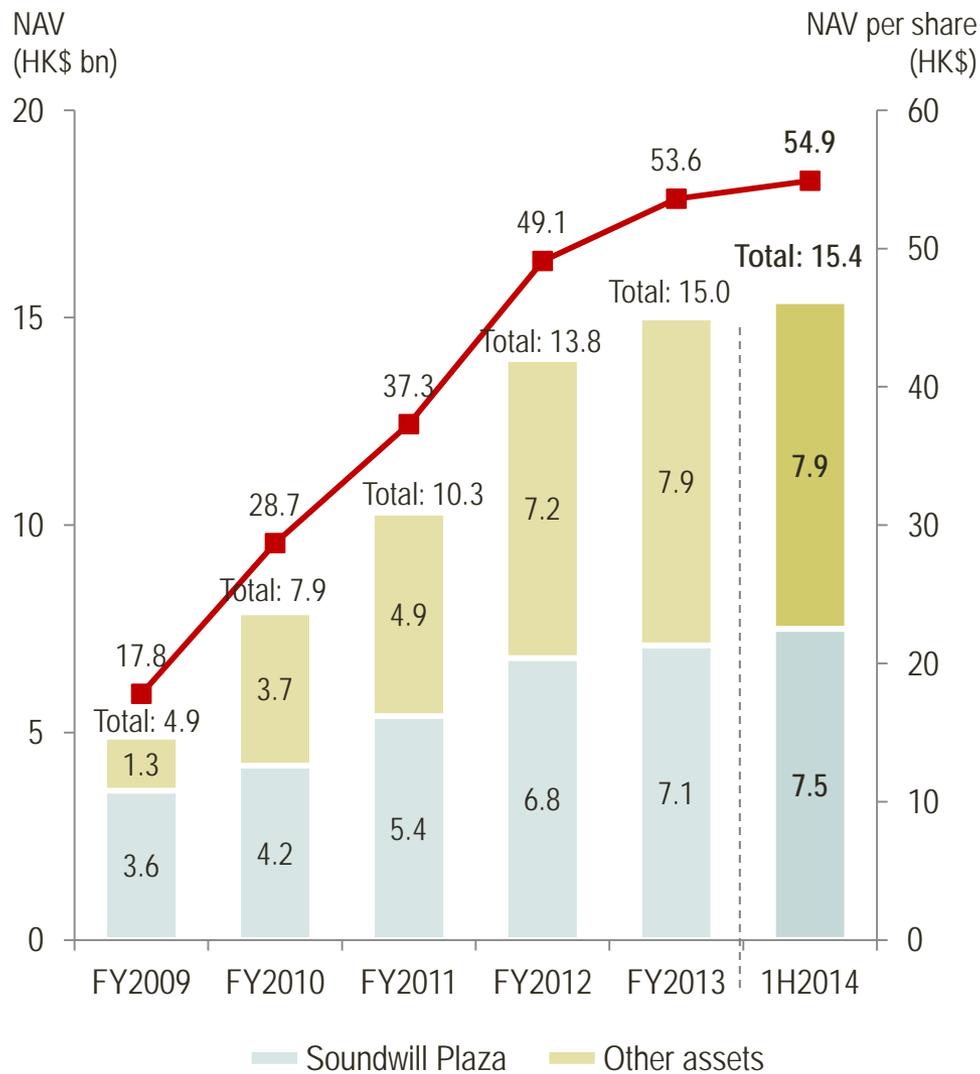


1H2014



- Revenue from property leasing amounted to HK\$206.9 mil, up 14.9%, mainly due to the increase in leasing income from Soundwill Plaza, and the Group's new leasing property Soundwill Plaza II – Midtown, Causeway Bay, which opened in April 2014
- Revenue from property development was HK\$41.2 mil, down 61.1%, mainly attributable to the decrease in sales revenue from property development projects in Mainland China

# Net Asset Overview



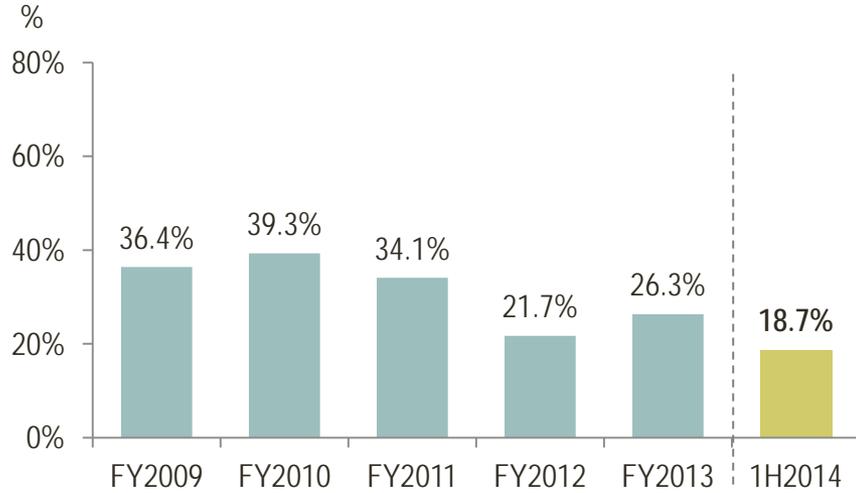
NAV per share breakdown (as at 30 Jun 2014)		HK\$
<b>Soundwill Plaza</b>		26.7
<b>Other assets – Commercial</b>		
Soundwill Plaza II – Midtown		8.0
THE SHARP		4.9
10 Knutsford Terrace		2.6
<b>Other assets – Residential</b>		
Park Haven		6.3
Others		6.4
<b>Total</b>		<b>54.9</b>

# Balance Sheet Highlights

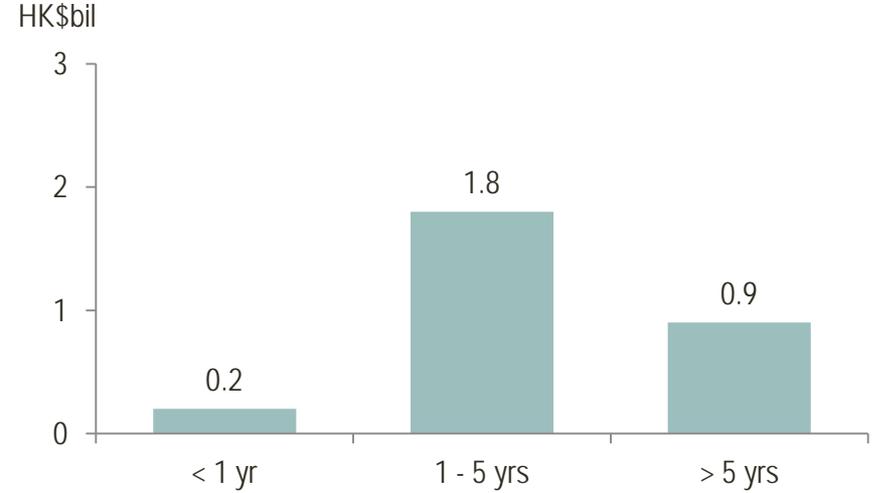
	As at 31 Dec 2013 (HK\$mil)	As at 30 Jun 2014 (HK\$mil)	Change
Total assets	20,823	20,251	↓ 3%
Net assets	15,037	15,435	↑ 3%
Cash and cash equivalents	415	332	↓ 20%
Bank deposit at escrow account	298	224	↓ 25%
Total debt	3,956	2,892	↓ 27%
Gearing ratio	26.3%	18.7%	↓ 7.6 p.p.
Net of cash gearing ratio	23.6%	16.6%	↓ 7.0 p.p.

# Financial Ratios

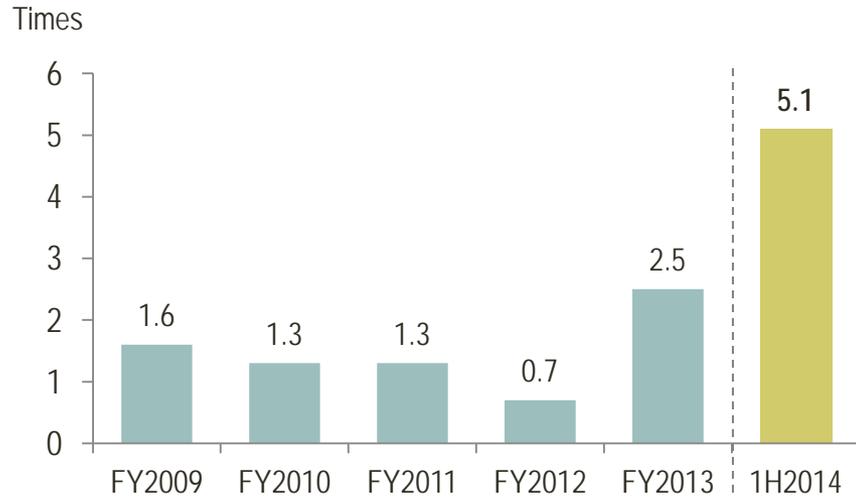
## Total Debt / Total Equity



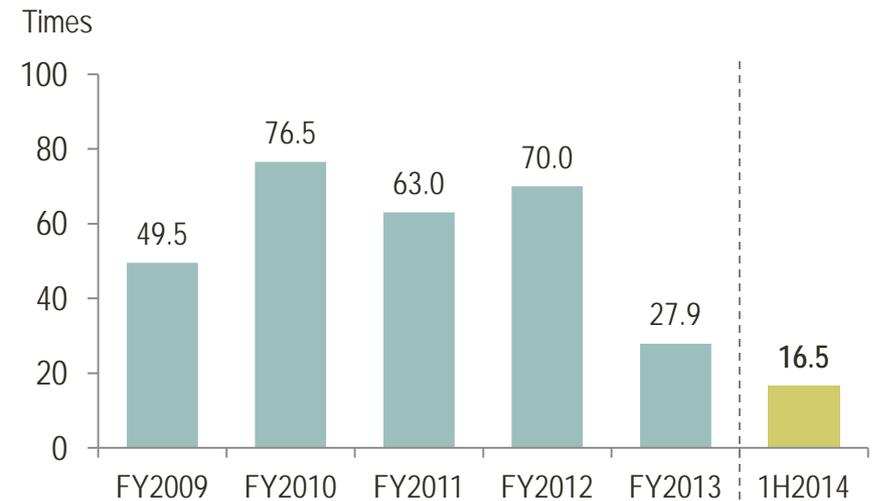
## Debt Maturity (as at 30 Jun 2014)



## Net Debt / EBITDA



## Interest Cover



# Resale Transaction: 100% Disposal of Lun Fat Street Project

Realising investment value from existing land bank



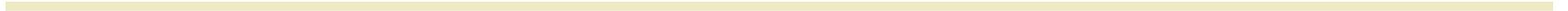
## Project overview

Location	:	12 – 24 Lun Fat Street, Wan Chai (灣仔聯發街)
Site area	:	7,000 sq. ft.
Planned GFA	:	63,000 sq. ft.
Zoning	:	Residential development

## Transaction details

Date	:	April 2014
Purchaser	:	Wkinv HK Holdings Limited (a subsidiary of Vanke Properties 萬科置業)
Consideration	:	HK\$860 mil (cash inflow in 2014)
Use of proceeds	:	▪ Repayment of bank loans

# **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 Plaza II

Tang Lung St 登龍街

Canal Road 堅拿道



## 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 30 June 2014)

Floor	GFA (sq. ft.)	Occupancy rate	Avg spot rental increase (1H13 vs 1H14)
G/F	8,777	100%	6%
1/F	9,492	100%	10%
Upper levels	226,836	95%	7%

# Grade-A Investment Portfolio – Commercial

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時代廣場

Russell St 羅素街

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M  
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Soundwill Plaza II

Tang Lung St 登龍街

Canal Road 堅拿道

New Rental Income  
Growth Driver



## Soundwill Plaza II Midtown, Causeway Bay

- Total leasing GFA : 218,000 sq. ft.
- Soft opening in April 2014
- Quality tenants:



Floor	GFA (sq. ft.)	Tenant
2/F	12,100	Jamie's Italian
3/F	7,300	The Chop House
5/F	7,512	Ootoya
7/F	7,000	Russ Dance Factory
8/F	7,700	ZEN TOO
9/F	7,800	KAYA Korean Restaurant
27-28/F	14,800	Woolloomooloo Prime
29/F	7,190	Sushi To by Harlan Goldstein
30/F	7,190	The Penthouse by Harlan Goldstein

- Midtown POP on 17/F – a 7,000 sq. ft. multi-purpose exhibition platform to deliver an array of cultural and art events
  - E.g. Art Basel & French Made

# Grade-A Investment Portfolio – Commercial

## New Retail Complex



### THE SHARP, Causeway Bay

- Total leasing GFA : 4,800 sq. ft.  
(G/F to 2/F retail space retained for investment purposes)
- Pre-sold all 29 floors on 3 Jan 2013
  - Salable GFA : 45,900 sq. ft.
  - ASP : HK\$33,600 / sq. ft.
  - Proceeds of HK\$1,500 mil to be recognized in FY2015

—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	Exp. spot rental increase (1H13 vs 1H14)
G/F – 3/F	20,000	100%	--
4/F – 23/F	94,000	79%	26%
Total	114,000	--	--

# Grade-A Investment Portfolio – Residential

## Boutique Residences in Premium Locations

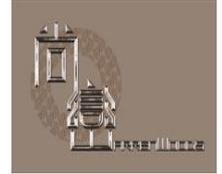


### WarrenWoods 尚巒, Tai Hang

- Occupancy date : Oct 2012
- 162 out of 163 units sold
- Proceeds : HK\$1,212 mil (recognized in FY2012)

#### Status:

- Skyline penthouse reserved for future sale, with a GFA of approx. 3,300 sq. ft.



### 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\$2.46 bil (to be recognized in 2H2014)

#### Status:

- Completed in 1H2014



### COHO, Causeway Bay

- Est. occupancy date : 2016

#### Status:

- Offer 44 residential units
  - 46 residential units (44 standard units & 2 specialty units with terraces)
- Sale on hold
- 3 units sold



# Prospects



# Prospects – Upcoming Catalysts

FY2014	1		<ul style="list-style-type: none"> <li>Completion of "Park Haven" in 1H 2014</li> </ul>	 <p><i>Sales recognition of HK\$2.46 bil in 2H 2014</i></p>
	2		<ul style="list-style-type: none"> <li>Strengthened rental income</li> <li>Revamped tenancy portfolio</li> </ul>	 <p><i>Leasing GFA to increase by approx. 114,117 sq. ft.</i></p>
	3		<ul style="list-style-type: none"> <li>Completed in late 2013, soft opening in April 2014</li> <li>80% of dining floors has been leased</li> </ul>	 <p><i>Substantial increase in rental income for Soundwill Group</i></p>
FY2015	1		<ul style="list-style-type: none"> <li>Completion of "THE SHARP" in 3Q 2015</li> </ul>	 <p><i>Sales recognition of HK\$1,500 mil</i></p>

# Prospects – Land Bank & Estimated Development Completion Timeline

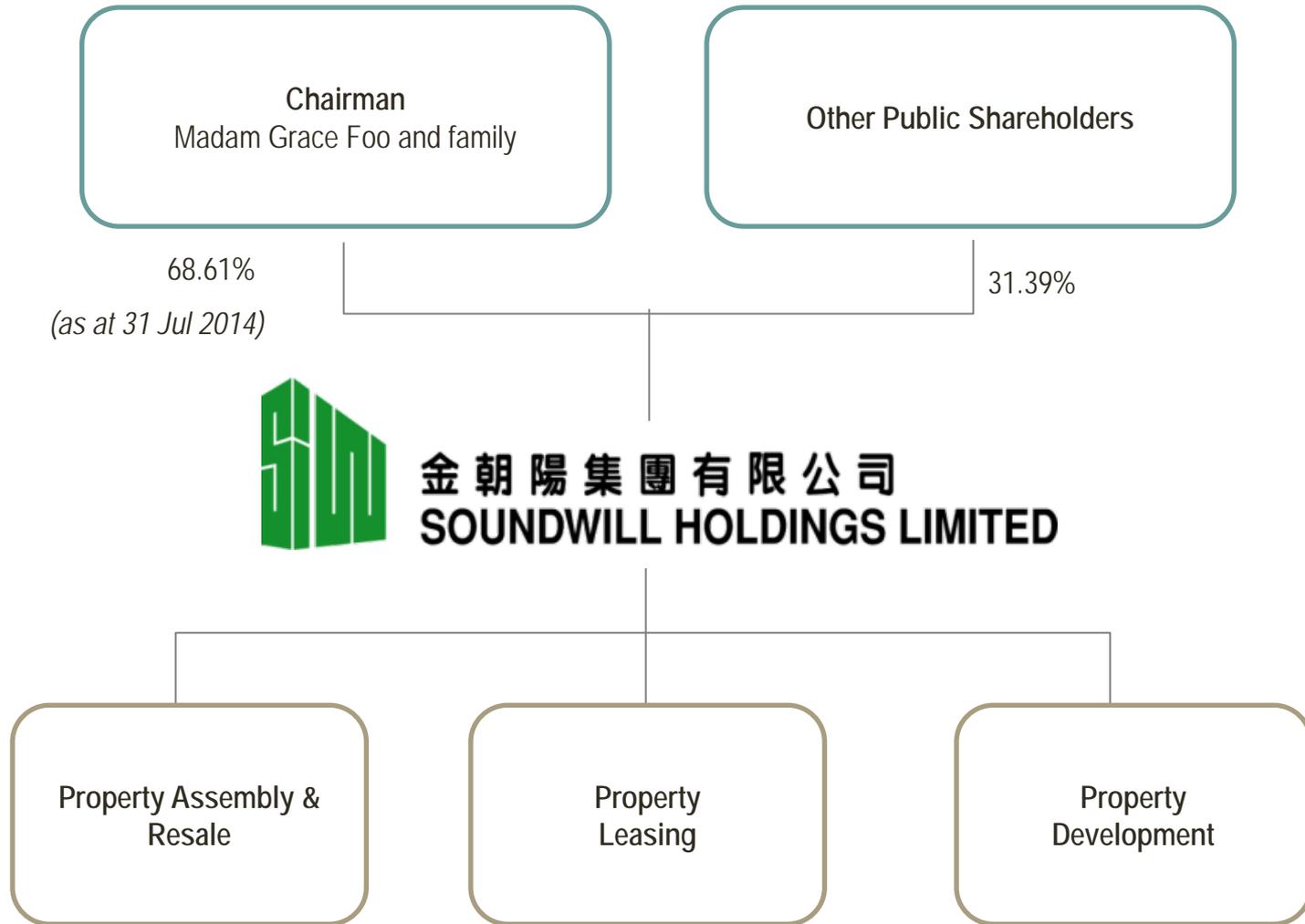
Project Location	Development Plan	Est. year of completion	
		FY2016	FY2017
 <p>Mid-Levels Mosque St. 摩羅廟街</p>	<ul style="list-style-type: none"> <li>Residential development</li> <li>GFA: 49,000 sq. ft.</li> </ul>	✓	
 <p>「COHO」 Tai Hang School St. 書館街</p>	<ul style="list-style-type: none"> <li>Commercial/residential complex</li> <li>GFA: 23,200 sq. ft.</li> </ul>	✓	
 <p>North Point Kin Wah St. &amp; Fort St. 建華街及堡壘街</p>	<ul style="list-style-type: none"> <li>Residential development</li> <li>GFA: 30,100 sq. ft.</li> </ul>	✓	
 <p>Kwai Chung Castle Peak Road 青山公路</p>	<ul style="list-style-type: none"> <li>Industrial complex</li> <li>GFA: 126,000 sq. ft.</li> </ul>	✓	
 <p>Tai Hang Lai Yin St. &amp; Jones St. 禮賢街及重士街</p>	<ul style="list-style-type: none"> <li>Residential development (co-develop with Henderson)</li> <li>GFA: 65,200 sq. ft.</li> </ul>		✓

Land Bank : 293,500 sq. ft.

# Appendix



# Shareholder / Corporate Structure



No. of issued shares : 281 mil (as at 31 Jul 2014)

# SWP Current Tenants (as at 30 Jun 2014)



32-39/F



3-31/F



樓上®



Street level



An Iconic  
British Luxury  
Brand

**Thank You**

