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SOUNDWILL HOLDINGS LIMITED

金朝陽集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 878)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2024 <i>HK\$ million</i>	2023 <i>HK\$ million</i>
Revenue	1,230	396
Profit before income tax expense excluding net fair value loss on investment properties	493	589
Net fair value loss on investment properties	(2,901)	(1,213)
Loss before income tax expense	(2,408)	(624)
Loss attributable to owners of the Company	(2,492)	(647)
Basic loss per share (dollars)	HK\$(8.80)	HK\$(2.28)
Dividend per share (dollars)		
— proposed final dividend	—	HK\$0.20
— proposed special dividend	—	HK\$0.80
	At 31 December 2024 <i>HK\$ million</i>	At 31 December 2023 <i>HK\$ million</i>
Total assets	17,975	21,000
Net assets	15,677	18,460
Total borrowings	1,360	1,517
Gearing ratio	9%	8%
Net asset value per share (dollars)	HK\$55.3	HK\$65.2

* For identification purpose only

RESULTS

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue			
Revenue from goods and services		898,353	44,208
Rental income		331,379	351,684
		<hr/>	<hr/>
Total revenue	3	1,229,732	395,892
Cost of sales		(528,706)	(42,404)
		<hr/>	<hr/>
Gross profit		701,026	353,488
Other income, gains and losses	4	71,721	437,888
Selling expenses		(84,787)	(2,254)
Administrative expenses		(120,766)	(126,818)
Gain on disposal of a subsidiary		1,969	11,440
Net fair value loss on investment properties		(2,900,959)	(1,212,858)
Finance costs		(75,868)	(84,579)
		<hr/>	<hr/>
Loss before income tax expense	6	(2,407,664)	(623,693)
Income tax expense	7	(83,907)	(22,810)
		<hr/>	<hr/>
Loss for the year		<u>(2,491,571)</u>	<u>(646,503)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the year ended 31 December 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other comprehensive (expense)/income for the year, net of income tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")		(3,383)	3,036
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange loss on translation of foreign operations		<u>(3,692)</u>	<u>(15,643)</u>
Other comprehensive expense for the year, net of income tax		<u>(7,075)</u>	<u>(12,607)</u>
Total comprehensive expense for the year		<u>(2,498,646)</u>	<u>(659,110)</u>
(Loss)/profit for the year attributable to:			
Owners of the Company		(2,491,851)	(646,511)
Non-controlling interests		<u>280</u>	<u>8</u>
		<u>(2,491,571)</u>	<u>(646,503)</u>
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(2,498,498)	(659,308)
Non-controlling interests		<u>(148)</u>	<u>198</u>
		<u>(2,498,646)</u>	<u>(659,110)</u>
Loss per share for loss attributable to owners of the Company for the year			
Basic	<i>8</i>	<u>HK\$(8.80)</u>	<u>HK\$(2.28)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		15,266,445	18,171,015
Property, plant and equipment		112,361	114,714
Financial assets at FVTOCI		39,938	43,006
Deposits paid for acquisition of properties		2,750	—
Loan receivables	<i>9</i>	222,181	4,349
Total non-current assets		15,643,675	18,333,084
Current assets			
Properties for sale		1,017,723	1,381,903
Trade and other receivables	<i>9</i>	155,214	146,940
Short-term bank deposits		827,153	635,200
Cash and cash equivalents		323,633	503,106
		2,323,723	2,667,149
Assets classified as held for sales		7,741	—
Total current assets		2,331,464	2,667,149
Current liabilities			
Trade and other payables	<i>10</i>	566,266	544,983
Contract liabilities		30,939	189,382
Lease liabilities		15,652	16,921
Borrowings		891,298	585,072
Provision for income tax		165,456	121,123
Total current liabilities		1,669,611	1,457,481
Net current assets		661,853	1,209,668

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets less current liabilities	<u>16,305,528</u>	<u>19,542,752</u>
Non-current liabilities		
Borrowings	468,560	931,727
Lease liabilities	24,356	21,003
Deferred tax liabilities	<u>135,871</u>	<u>130,160</u>
Total non-current liabilities	<u>628,787</u>	<u>1,082,890</u>
Net assets	<u>15,676,741</u>	<u>18,459,862</u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	28,331	28,331
Reserves	<u>15,648,410</u>	<u>18,429,908</u>
	15,676,741	18,458,239
Non-controlling interests	<u>—</u>	<u>1,623</u>
Total equity	<u>15,676,741</u>	<u>18,459,862</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group for the year ended 31 December 2024 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

An analysis of the Group's revenue from its principal activities is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers under HKFRS 15		
Property development		
— Sales of completed properties for sale	875,054	22,729
Building management and other services		
— Property repairs and maintenance service income	5,191	5,876
— Building management service income	18,108	15,603
Revenue from contracts with customers under HKFRS 15	898,353	44,208
Property leasing		
— Rental and signage rental income	331,379	351,684
Total revenue	<u>1,229,732</u>	<u>395,892</u>

4. OTHER INCOME, GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
4a. Other income		
Interest income from financial assets at FVTPL	957	2,286
Dividend income from financial assets at FVOCI	5,324	—
Interest income from loan receivables	9,022	596
Other interest income	49,458	54,556
Government grants (<i>note 1</i>)	—	6,945
Forfeiture of deposits (<i>note 2</i>)	—	364,457
Miscellaneous income	9,072	9,784
	<u>73,833</u>	<u>438,624</u>
4b. Other gains and losses		
Impairment loss on trade receivables, net of reversal	(1,729)	(659)
Loss on disposal of property, plant and equipment	(383)	(77)
	<u>(2,112)</u>	<u>(736)</u>
Total other income, gains and losses	<u>71,721</u>	<u>437,888</u>

Notes:

1. During the year ended 31 December 2023, the Group recognised government grants of approximately HK\$6,945,000 (2024: Nil) in respect of Employment Support Scheme provided by the Hong Kong government.
2. The amounts represents forfeiture of deposits upon the termination of the sale and purchase agreement on sale of subsidiaries during the year ended 31 December 2023.

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resource allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following operating and reportable segments:

Property development	:	Development of residential, commercial and industrial properties
Property leasing	:	Property rental including signage rental and rental under mini-storage operation
Building management and other services	:	Provision of building management, property repairs and maintenance services

Each of these operating and reportable segments is managed separately as each of the business lines requires different resources as well as operating approaches.

Also, the Group engaged in properties assembly and sales of properties business. There is no project under property assembly business in both years. Thus, this is not constitute a reportable segment during both years.

These operating and reportable segments are monitored and strategic decisions are made on the basis of segment operating results.

Segment revenue and results

	Property development		Property leasing		Building management and other services		Segment total	
	2024	2023	2024	2023	2024	2023	2024	2023
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
Revenue								
External customers	875,054	22,729	331,379	351,684	23,299	21,479	1,229,732	395,892
Inter-segments (<i>note</i>)	—	—	233	48	1,944	2,832	2,177	2,880
Segment revenue	<u>875,054</u>	<u>22,729</u>	<u>331,612</u>	<u>351,732</u>	<u>25,243</u>	<u>24,311</u>	<u>1,231,909</u>	<u>398,772</u>
Segment profits	<u>291,062</u>	<u>7,419</u>	<u>269,609</u>	<u>284,004</u>	<u>28,778</u>	<u>25,778</u>	<u>589,449</u>	<u>317,201</u>
Certain other income, gains and losses							37,207	406,399
Certain administrative expenses							(59,462)	(61,296)
Gain on disposal of a subsidiary							1,969	11,440
Net fair value loss on investment properties							(2,900,959)	(1,212,858)
Finance costs							(75,868)	(84,579)
Loss before income tax expense							<u>(2,407,664)</u>	<u>(623,693)</u>

Note: Inter-segment sales are charged at mutual agreed terms.

The operating and reportable segment results exclude finance costs, net fair value loss on investment properties, gain on disposal of a subsidiary, certain other income, gains and losses, certain administrative expenses and income tax expense.

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	3,393	3,236
Cost of completed properties for sale recognised as expenses	563,502	13,374
Depreciation of right-of-use assets	529	3,248
Depreciation of other property, plant and equipment	3,090	3,957
Employee compensation expense (including Directors' remuneration and defined contribution cost)	160,552	160,542
Rentals in respect of short-term leases and low-valued leases	358	463
Revaluation deficit on property, plant and equipment	120	120
Gross rental income from investment properties	(331,379)	(351,684)
Less: Direct operating expense arising from investment properties that generated rental income	19,592	16,952
Less: Direct operating expense arising from investment properties that did not generate rental income	864	810
	<u>(310,923)</u>	<u>(333,922)</u>

7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Tax for the year (<i>note (a)</i>)	60,917	14,375
Mainland China Enterprise Income Tax ("EIT"):		
Tax for the year (<i>note (b)</i>)	167	1,620
Mainland China Land Appreciation Tax ("LAT") (<i>note (c)</i>)	17,654	1,601
Over-provision in prior years	(542)	(291)
Deferred tax charge	5,711	5,505
	<u>83,907</u>	<u>22,810</u>

Notes:

- (a) Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

- (b) For the year ended 31 December 2024, all of the Group's Mainland China subsidiaries were subject to Mainland China EIT rate of 25% (2023: 25%).
- (c) Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the Mainland China on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures in relation to the gains arising from sales of properties in the Mainland China effective from 1 January 2004, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

8. LOSS PER SHARE

The calculation of basic loss per share for loss attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Loss		
Loss attributable to owners of the Company	<u>(2,491,851)</u>	<u>(646,511)</u>
Number of shares		
Number of ordinary shares for the purpose of basic loss per share (<i>note</i>)	<u>283,308,635</u>	<u>283,308,635</u>

Note: During the years ended 31 December 2024 and 2023, neither the Company nor any of its subsidiaries had repurchased any of the Company's shares respectively.

No diluted loss per share for the years ended 31 December 2024 and 2023 was presented as there were no potential ordinary shares in issue during the years ended 31 December 2024 and 2023.

9. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES

As at 31 December 2024 and 2023, based on invoice dates, the ageing analysis of the trade receivables, net of allowance for credit losses, was the following.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	12,778	12,040
31–90 days	16,002	9,114
91–180 days	9,300	4,338
Over 180 days	<u>10,815</u>	<u>6,900</u>
Total trade receivables, net	<u>48,895</u>	<u>32,392</u>
Loan receivables	154,365	145,385
Less: allowance for credit losses	<u>(141,776)</u>	<u>(141,776)</u>
Total loan receivables, net	<u>12,589</u>	<u>3,609</u>
Other receivables, utility deposits and prepayment	<u>93,730</u>	<u>110,939</u>
Total trade and other receivables categorised as current assets	<u>155,214</u>	<u>146,940</u>
<i>Non-current asset:</i>		
Loan receivables	<u>222,181</u>	<u>4,349</u>
	<u><u>377,395</u></u>	<u><u>151,289</u></u>

10. TRADE PAYABLES AND OTHER PAYABLES

Trade payables had credit periods ranging from 30 to 90 days. Based on invoice dates, the ageing analysis of trade payables was the following.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	4,705	10,801
31–90 days	3,472	1,188
Over 90 days	<u>16,054</u>	<u>12,768</u>
Total trade payables	24,231	24,757
Other payables	<u>542,035</u>	<u>520,226</u>
	<u><u>566,266</u></u>	<u><u>544,983</u></u>

OPERATIONS REVIEW AND PROSPECTS

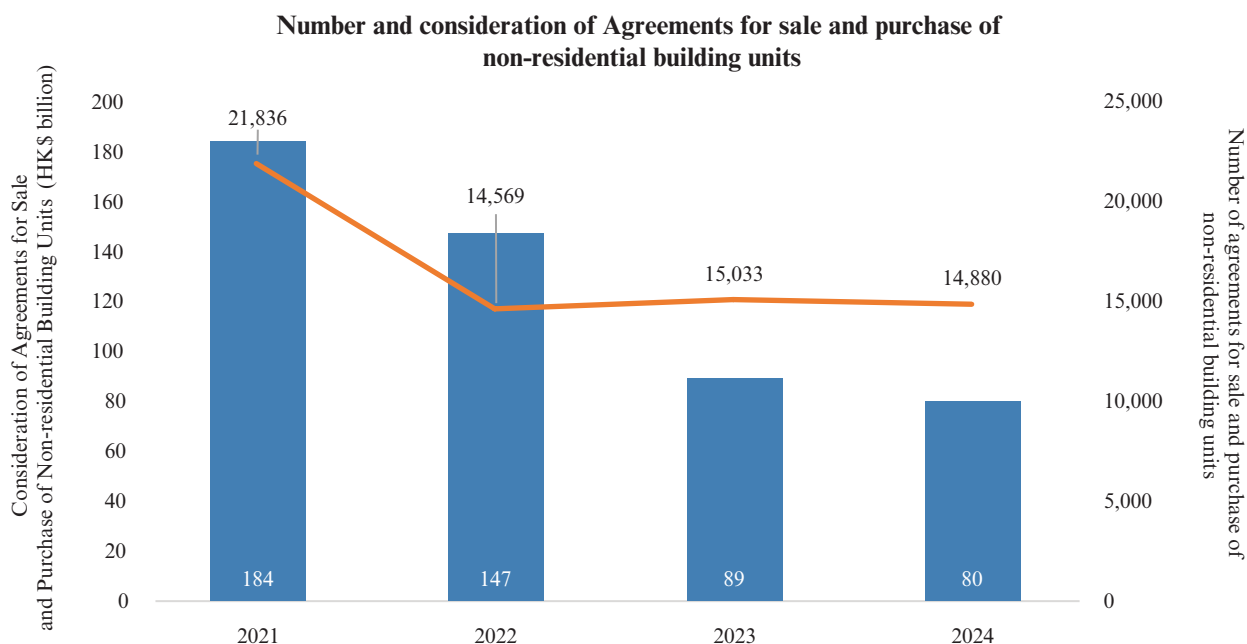
OVERVIEW

The Group's principal activities include property leasing, property development, and the provision of building management and other services. The investment properties of the Group are mainly composed of commercial and industrial buildings. As of 31 December 2024, the Group recorded total revenue of approximately HK\$1,229,732,000 (2023: approximately HK\$395,892,000), representing an increase of approximately 211% compared to last year. The increase in revenue was mainly due to the recognition of sales of property units from the sole property development project in Hong Kong in 2022 under favourable market conditions (please see the section headed "PROPERTY DEVELOPMENT" below for details). A loss attributable to owners of the Group of approximately HK\$2,491,851,000 is recorded in 2024 (2023: approximately HK\$646,511,000), representing an increase of 285% compared to last year. The increase in loss was mainly due to the increase in valuation loss losses on investment properties recorded as of 31 December 2024.

Below are the fair value changes of investment properties from 2020 to 2024:

		Year ended 31 December				
	2020	2021	2022	2023	2024	
Net fair value loss on investment properties (HK\$ million)	453	1,077	464	1,213	2,901	
Year-over-year change	245%	138%	-57%	161%	139%	

During the year, Mainland China introduced various supportive measures benefiting Hong Kong, while the Hong Kong Government implemented policies aimed at stimulating financial market development and economic growth. However, these efforts were not sufficient to drive a rebound in the local economy, and a full recovery is not expected in the short to medium term. According to the Hong Kong Land Registry, the registered number of sales of non-residential building units and the total consideration thereof decreased by approximately 32% and 57% respectively from 2021 to 2024. Although the decrease in the number of sales stabilised in the recent two years, the total consideration dropped by about 10%.



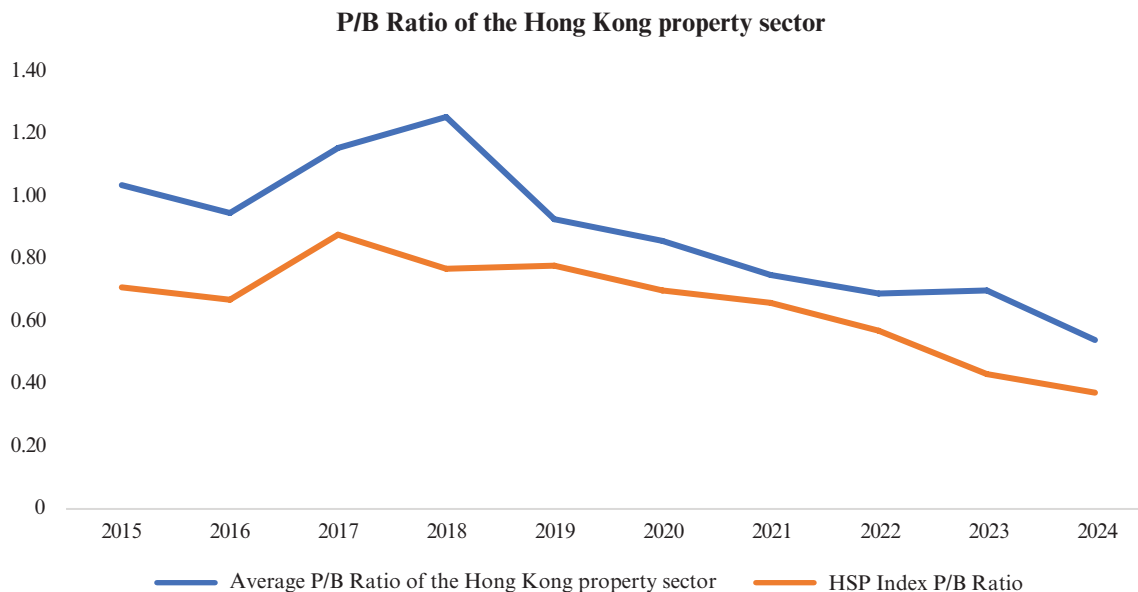
Source: The Land Registry (<https://www.landreg.gov.hk/en/monthly/agt.htm>)

This lack of liquidity is particularly evident in commercial and office property sector; and the core investment property portfolio of the Group is commercial and office properties. Given today's tight financing environment for real estate purchases, buyers are becoming increasingly cautious.

The changes brought by the gradual integration of Hong Kong into the Greater Bay Area could already be felt and is impacting Hong Kong economy. The trend to travel north of Lo Wu for leisure, shopping and purchasing daily groceries has already adversely impacted the retail and food and beverage sectors in Hong Kong. That, together with the willingness and even preference for consumers to purchase via delivery services have already much lessened market demand for prime retail spaces. In addition, incidental changes to the needs for manpower would reshape related businesses, and the value of commercial and retail properties could face further pressure in the near future.

In light of challenging market conditions, property developers in Hong Kong and Mainland China have been adversely impacted and face significant hurdles in the current economic landscape. There had been a consistent decline in the average price-to-book ratio (the "**P/B Ratio**") from 2018 to 2024 for both the Hang Seng Property Index constituents and property developers in Hong Kong and Mainland China. The Company also observes that over the past ten years, the average P/B Ratio of the property sector had dropped by around 48% from the end of 2015 to the end of 2024, showing a decoupling between stock market valuation and the valuation of net assets.

These metrics underscore the financial strain experienced across the industry due to the prevailing uncertainties and market challenges, and the persistent downward trend reflects a decoupling between market valuation and the valuation of net assets.



Source: Bloomberg

Notes:

1. Property sector refers to the Hong Kong listed companies under the real estate owners and developers classification of Bloomberg Industry Classification Standard (BICS).
2. HSP is the Hang Seng Index — Property extracted from Bloomberg.

PROPERTY LEASING

Property leasing is the major and most significant source of recurring income for the Group. Over the past four consecutive years from 2020 to 2023, rental income accounted for more than 70% of the Group's total revenue. In 2024, total revenue from the property leasing segment was approximately HK\$331,379,000 (2023: approximately HK\$351,684,000), accounting for approximately 27% of the Group's total revenue for the year (2023: approximately 89%).

However, the Group’s rental income has been declining. From 2020 to 2024, rental income has cumulatively decreased by over 30%.

Below is an overview of the rental income from 2020 to 2024:

	Year ended 31 December				
	2020	2021	2022	2023	2024
Property leasing revenue (HK\$ million)	478	419	376	352	331
Year-over-year change	-10%	-12%	-10%	-7%	-6%

Most of the Group’s major investment properties are located in the Causeway Bay and Wan Chai areas. Although these areas have traditionally benefited from high pedestrian flow due to their status as retail and commercial centers, the retail sector has been severely impacted by various factors, including global geopolitical tensions, decline in global trade, high core inflation, intense competition from neighbouring cities in the Greater Bay Area, and the rise of online shopping.

Market indicators confirm the downward trend. According to data from the Rating and Valuation Department of Hong Kong, average monthly rent for private retail properties on Hong Kong Island — where most of the Group’s major investment properties are located — has decreased by approximately 8%, from HK\$1,265 per square meter in 2021 to HK\$1,165 per square meter in 2024. The Real Residential Property Price Index (RRPPI) published by the Bank for International Settlements indicates that since the third quarter of 2021, the RRPPI for both Mainland China and Hong Kong has generally been on a downward trend. Mainland China’s RRPPI dropped by nearly 14%, from approximately 146 in third quarter of 2021 to approximately 125 in third quarter of 2024, while Hong Kong’s RRPPI fell by more than 31%, from approximately 194 to approximately 133 over the same period.

Additionally, a significant portion of the Group’s investment properties is residential units in old buildings. If these units are reclassified as “basic housing units,” their rental growth will be subject to regulations proposed by the Hong Kong Government. These basic housing units will also be subject to statutory minimum standards and regulations. While these measures may improve residents’ living conditions, the Group anticipates that compliance with these new requirements will inevitably lead to temporarily high vacancy rate as the renovation will require the evacuation of tenants, and increased maintenance and renovation costs, negatively impacting the net rental income, cash flow, and revenue generated from these residential units of the Group.

Given these factors, the Group’s leasing business may face increasing pressure in the coming years. It remains uncertain when the market and the Group’s leasing business will achieve a significant recovery. This will negatively impact the Group’s cash flow position, which in turn will adversely affect the Group’s financial capacity.

Soundwill Plaza

Soundwill Plaza is located on Russell Street in the heart of Causeway Bay, one of Hong Kong's core shopping districts and a magnet for international flagship brands. As a premium Grade A commercial building, Soundwill Plaza enjoys high footfall and convenient transport links and remains a prime destination for shopping and leisure activities, featuring many famous fashion and beauty brands.

Soundwill Plaza II — Midtown

Soundwill Plaza II — Midtown, located at 1 Tang Lung Street, Causeway Bay, is a focal point for local food & beverage and leisure activities. To offer more diversified dining and leisure experiences, the Group has successfully attracted a number of trend-setting young brands and premium tenants to this property.

10 Knutsford Terrace

10 Knutsford Terrace is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, a core tourist and leisure district, which offers a wide range of restaurants and lifestyle shops.

Kai Kwong Commercial Building

Kai Kwong Commercial Building is an integrated commercial project located at 332–334 Lockhart Road, Wan Chai.

The Sharp

Located at 11–13 Sharp Street East and 1–1A Yiu Wa Street in Causeway Bay, THE SHARP is an integrated commercial property project with space for retail, beauty, food & beverage and commercial businesses. The Group's rental properties are situated on the ground floor to the second floor.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Group, offers secure and convenient storage space, with professional management and services. All of our storage facilities, which are strategically located in key areas of Hong Kong, are well equipped and comply with latest fire safety guidelines. During the year, new branches were opened in Tai Po, Kwai Chung and San Po Kong. As at 31 December 2024, One Storage had an overall occupancy rate of 80%, with around 30% of branches reaching close to 90% occupancy. Additional branches are planned for 2025.

We also introduced a new onsite mini-box service, which allows customers to enjoy a one-stop door-to-door storage service with fast collection and delivery through our convenient booking system, all without leaving home. During the year, the occupancy rate of mini-boxes exceeded 60%, with customers that included medical centres, the tourism industry, social welfare institutions, and accountancy and law firms.

PROPERTY DEVELOPMENT

For the year ended 31 December 2024, revenues from the property development segment was approximately HK\$875,054,000 (2023: approximately HK\$22,729,000), accounting for approximately 71% of the Group's total revenue for the year (2023: approximately 6%).

Below is an overview of property development revenue since 2020:

	Year ended 31 December				
	2020	2021	2022	2023	2024
Property development revenue (HK\$ million)	190	127	79	23	875
Year-over-year change	5%	-33%	-38%	-71%	3,750%

In 2024, the Group's property development revenues primarily came from sales completion of iCITY units. It is worth noting that the agreements for the sale of most of these units were reached back in 2022, at a time when stamp duty measures were introduced by the HK Government to quell speculation on residential properties. Some of the iCITY units were offered at that time at below HK\$4 million, and was instantly well received by purchasers who took the opportunity to invest into property market without the burden of buyer stamp duty. It was only under these favourable conditions and relentless efforts of our team that sales of iCITY units could attain such satisfactory rates.

It is uncertain whether such positive market conditions can be repeated in the local market. According to the Rating and Valuation Department, price index of private flatted factories has decreased by 18%, from 880 in 2022 to 718 in 2024. In addition, the HK Government has also lifted stamp duty measures for local residential properties. Hence, sales for the remaining iCITY units shall face a lot more competition than in previous years. iCITY is the only completed development currently owned by the Group and located in Hong Kong that is ready and available for sale on a strata-title basis.

In 2024, the Mainland Chinese real estate market remained in an adjustment phase, with significant declines in new home sales in the first half of that year compared to the same period in the previous year. The Group's Greater Bay Area property development projects — Grand Capital in Doumen District, Zhuhai, and Lakeview Bay•VOGUE villa and high-rise complex project in Gaoyao District, Zhaoqing — are all completed developments. Grand Capital has only a few remaining units for sale, while Lakeview Bay•VOGUE still has a considerable number of units available. Given the current market conditions, the pace of sales has been slow.

BUILDING MANAGEMENT AND OTHER SERVICES

For the year ended 31 December 2024, the revenues from the building management segment was approximately HK\$23,299,000 (2023: approximately HK\$21,479,000), accounting for approximately 2% of the Group's total revenue (2023: 5%).

Below is an overview of building management revenue since 2020:

	Year ended 31 December				
	2020	2021	2022	2023	2024
Building management and other services revenue (HK\$ million)	22	23	24	21	23
Year-over-year change	4%	4%	3%	-9%	8%

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Group, specialises in high quality property management and maintenance services as well as facilities management for A-grade, large-scale commercial buildings, industrial buildings and small- to medium-sized estates. With a team of highly experienced and professionally certified members, the subsidiary holds ISO9001, ISO14001 and ISO45001 certifications, reflecting international recognition of its management systems. During the year, properties managed by the team received several accolades for the quality of their property management services. These included a Certificate of Merit in the Quality Property and Facility Management Award 2024, the Kowloon West Best Security Services Award, and recognition as a Hong Kong Green Organisation. To enhance service quality, the building management team conducts regular internal assessments and makes use of advanced technology to provide tailored services for owners and tenants. In addition to managing the Group's existing properties, the team bid on new property and facility management projects with the aim of expanding its business portfolio.

To reduce carbon emissions and align with government environmental policies, the Group has a dedicated team focused on environmental management and energy-saving. This team carries out optimisation works and implements measures to support long-term carbon reduction, achieve their energy-saving goals and fulfil the Group's vision of building a sustainable society. A waste management model has also been adopted, encouraging stakeholders to reduce, sort and recycle waste at source, contributing to environmental protection.

The building management team attaches great importance to risk management and has set up a high-tech centralised management centre equipped with an Internet of Things (IoT) system to protect operational equipment against theft and ensure operational stability and safety. The building management team also participates in community service projects and charitable activities, reinforcing its commitment to corporate social responsibility.

Soundwill Club

Soundwill Club is a membership reward programme for the Group's major investment properties. Serving as a one-stop shopping and discount leisure platform, the Soundwill Club regularly distributes marketing and promotional materials to customers. During the year, Soundwill Club actively enhanced the diversity of its leased properties by organising approximately 30 promotional campaigns of varying scales in different formats.

The Group's marketing team actively identifies the unique needs of its members and consumers, and takes advantage of opportunities to attract new customers and strengthen member loyalty. Throughout the year, the team promoted distinctive consumer experiences at the Group's properties through online and offline channels in Hong Kong and Mainland China to engage and interact with customers. Soundwill Club also expanded its partnerships with major brands to introduce popular mileage offers, with the aim of broadening its customer base and increasing member point circulation and utilisation. Besides, Soundwill Club introduced welcome rewards and spending incentive campaigns, with its year-end promotional event remaining a customer favourite. Membership in the Club grew by over 16% during the year, which contributed substantially to an increase in tenant sales. Service quality across the Group's properties was also enhanced through regular feedback collected from customers and tenants.

CORPORATE CITIZENSHIP

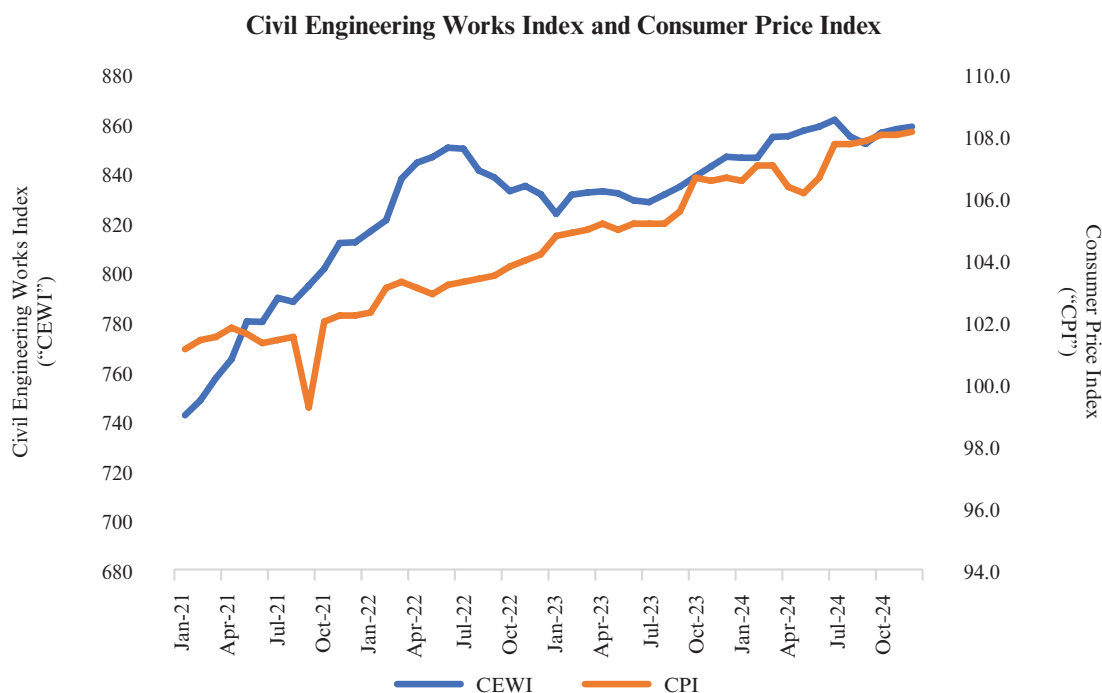
In line with societal expectations and global trends, the Group has a governance structure in place to support the implementation of sustainable development strategies across departments, reinforcing the Group's positive environmental and societal impact. The Group has also taken climate risks into account and made preparations enabling it to respond effectively to climate-related challenges and capture related opportunities in the near term.

In accordance with its mission of “Operating with Heart,” the Group uses its resources and expertise to contribute to social development and support underprivileged communities by leveraging its resources and expertise. During the year, the Soundwill Volunteer Team regularly took part in visits and assisted non-profit organisations in community empowerment activities. The Group also promoted recycling initiatives within the community and provided resources to families in need. Its environmental, social, and governance (ESG) performance and key indicators are disclosed in the Group’s annual ESG report to provide investors and stakeholders with comprehensive insights into its sustainability commitments and objectives.

During the year, the Group and its subsidiaries received several ESG-related awards, including the Social Capital Builder Awards 2024 from the Home and Youth Affairs Bureau and the ESG Co-Creation Award 2024 from InnoESG Prize. These recognitions underscore the Group’s notable achievements and dedication to advancing its ESG initiatives.

CAPITAL EXPENDITURE

The Group is about to enter a new long-term investment cycle for project development. Inflation, rising labour costs, and increasing prices of building materials will further drive up development costs. According to the Development Bureau and the Census and Statistics Department of the Hong Kong Government, both consumer price index and the civil engineering works index continued to rise from 2021 to 2024 by approximately 7% and 16% respectively.



Sources: Development Bureau (https://www.cedd.gov.hk/filemanager/eng/content_83/indices%20Dec%202024.pdf)

The Census and Statistics Department (<https://www.censtatd.gov.hk/en/scode270.html#section3>)

Construction costs for the development projects in the pipeline, including Yiu Wa Street Project, Wah Sing Street Project and Haven Street Project (and assuming the Group may succeed in unifying ownership in the future), are expected to exceed HK\$2.2 billion. Given the more efficient market conditions, the property development cycle is likely to be longer than what the Group has achieved in the past. It is expected that this extended development cycle for property development projects could be expected to reduce returns and increase both financing costs and financing requirements.

Yiu Wa Street Project

Located at 42, 44 Yiu Wa Street and 28–29 Canal Road East, Causeway Bay, with a site area of about 2,952 square feet, this project has been proposed for a commercial development with floor area of around 44,000 square feet. Construction of the foundation structure has been completed.

Wah Sing Street Project

Situated at 13–17 Wah Sing Street, Kwai Chung and currently known as the South China Cold Storage Building, this project is intended for industrial development. With a site area of approximately 19,134 square feet, it can be developed into a property with floor area of approximately 180,000 square feet.

OUTLOOK

Based on the above factors, to turn the Group's non-cash generating projects into cash generating projects requires significant time and capital investment. Hence, the Group's cash flow may not be able to maintain previously strong levels. As a result, it may be difficult to sustain the same level of dividend distribution in the coming years, negatively impacting shareholder returns.

To navigate these challenges, the Group will continue to develop suitable investment projects and remain open to exploring other business opportunities. Enhancing operational synergies will also play a role, as the Group executes its long-term strategies.

Managed by a strong and professional executive team, the Group has been deeply rooted in Hong Kong for many years and has demonstrated resilience during difficult economic times. By maintaining a dual approach — practising prudent financial management while operating with creativity and flexibility — the Group will continue to drive long-term business growth through strategic initiatives. With a pragmatic focus on its long-term development goals, the Group remains committed to enhancing corporate value and strengthening its ability to overcome challenges.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results of Operations

During the year, the Group recorded a revenue of approximately HK\$1,229,732,000 (2023: HK\$395,892,000), representing an increase of approximately HK\$833,840,000 as compared with last year. The increase in revenue was mainly due to the increase in income recorded from the property development project.

Loss Attributable to Owners of the Company

During the year, the Group has recorded a loss attributable to owners of the Company of approximately HK\$2,491,851,000 (2023: HK\$646,511,000), an increase in loss of 285% as compared with last year. The increase in loss was mainly due to valuation loss on investment properties of HK\$2,900,959,000 (2023: HK\$1,212,858,000) as of 31 December 2024.

Net Assets

The net assets of the Group as at 31 December 2024 amounted to HK\$15,676,741,000 (2023: HK\$18,459,862,000). Net asset value per share as at 31 December 2024 is HK\$55.3 (2023: HK\$65.2).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2024, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to HK\$1,150,786,000 (2023: HK\$1,138,306,000). Total borrowings of the Group amounted to HK\$1,359,858,000 (2023: HK\$1,516,799,000) as at 31 December 2024.

As at 31 December 2024, the Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 9% (2023: 8%).

The Group mainly operates and invests in Hong Kong and the Mainland China with most of the transactions denominated and settled in Hong Kong Dollars and Renminbi respectively. Therefore, any Mainland China operations are translated from RMB into Hong Kong dollars at the year end date and the exchange differences will be reflected in the consolidated income statement at average rate and exchange reserve in other comprehensive income at closing rate. During the year, the Group did not engage in any derivative activities or use any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are denominated in Hong Kong Dollars and bear interest at floating rates.

SIGNIFICANT INVESTMENTS HELD

Save as those disclosed under the sections headed “Operations Review and Prospects” and “Management Discussion and Analysis”, the Group did not have any significant investment during the financial year ended 31 December 2024.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In July 2019, the Group filed an application to the Lands Tribunal for an order for sale in relation to all the undivided shares of Haven Court properties (the “Lot”). On 29 February 2024, the Lands Tribunal ordered the sale of the Lot through an auction (the “Auction”) at the reserve price of HK\$2,425,000,000 (the “Reserve Price”).

On 17 April 2024, no bid was placed at the Auction. The Company then made an application for an extension of time to conduct another auction (the “Further Auction”) together with an application to adjust the Reserve Price on 29 April 2024.

On 31 May 2024, the Lands Tribunal ordered an extension of time for three additional months from 29 May 2024 to 29 August 2024 to conduct the Further Auction with no adjustment on the Reserve Price (the “Rulings”).

In the special general meeting of the Company held on 14 June 2024, ordinary resolution was duly passed by the shareholders of the Company by way of poll to approve the mandate for possible very substantial disposal.

On 14 June 2024, the Company made an application to the Lands Tribunal for leave to appeal against the Rulings. On 26 June 2024, leave to appeal against the Rulings was granted by the Lands Tribunal.

On 13 August 2024, the Court of Appeal ruled the appeal against the Rulings be dismissed and the judgement will be handed down in about 3 weeks of time.

On 2 September 2024, the Court of Appeal published its judgment for the dismissal of the appeal. The Company will not seek to appeal against the judgment of the Court of Appeal and Every party will go back to the situation it was in before the making of the compulsory sale application.

Details of the aforesaid possible transactions are set out in the announcements of the Company dated 2 April 2024, 17 April 2024, 24 April 2024, 29 April 2024, 14 May 2024, 22 May 2024, 30 May 2024, 31 May 2024, 14 June 2024, 26 June 2024, 13 August 2024 and 16 September 2024 and the circular of the Company dated 24 May 2024.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group for the year ended 31 December 2024.

EVENTS AFTER REPORTING PERIOD

On 7 March 2025, Earning Ease Limited (the “Offeror”) and the Company jointly published an announcement (the “Joint Announcement”). As disclosed in the Joint Announcement, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders of the Total Price of HK\$8.5, comprising (i) the Cancellation Price of HK\$7.5; and (ii) the Special Dividend of HK\$1.0 in cash for each Scheme Share cancelled. The implementations of the Proposal and the Scheme are subject to fulfillment or waiver (as applicable) of Conditions as set out in the Joint Announcement.

Unless otherwise defined, capitalised terms used in this section shall have the same meanings as those defined in the Joint Announcement. Details of the Joint Announcement are set out in the announcement of the Company dated 7 March 2025.

PLEDGE OF ASSETS

As at 31 December 2024, certain investment properties and property, plant and equipment of the Group with a total carrying value of approximately HK\$9,335,969,000 (31 December 2023: approximately HK\$11,058,645,000) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group provided guarantees amounted to approximately HK\$13,172,000 (2023: HK\$40,220,000) to banks with respect to mortgage loans procured by the purchasers of the Group’s properties. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

EMPLOYEES REMUNERATION

The Group employed an annual average of 303 people and 45 people in Hong Kong and Mainland China respectively for the year (2023: 297 and 33 employees). Employees were remunerated on the basis of their performance, experience and market practice. Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. Total salaries and wages incurred in 2024 were approximately HK\$160,552,000 (2023: HK\$160,542,000) and no share option expenses (2023: Nil) during the year.

DIVIDEND

The Board does not recommend payment of final dividend (2023: HK\$0.20 per share) nor special dividend (2023: HK\$0.80 per share) for the year ended 31 December 2024.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “AGM”) will be held on Thursday, 12 June 2025 and the notice of AGM will be published and dispatched in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 9 June 2025 to Thursday, 12 June 2025 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining shareholders of the Company entitled to attend the AGM will be Thursday, 12 June 2025. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 6 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company’s shares in the market as at the date of this announcement.

REVIEWED BY AUDIT COMMITTEE

The audited consolidated results of the Group for the year ended 31 December 2024 and the financial and accounting policies adopted by the Group have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 20 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules on the Stock Exchange during the year ended 31 December 2024 except for the following deviation:

CODE PROVISION C.2.1

Code provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Mr. Chan Hing Tat is the Chairman of the Group. The Chairman is responsible for the overall development direction and strategies of the Group and ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive Directors, the management and various department heads to act and function in accordance with authority policy. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all of them have complied with the Model Code throughout the year.

The Company has also adopted the written guidelines on no less exacting terms than the Model Code for those relevant employees (as defined in the CG Code) in respect of their dealings in the securities of the Company in compliance with the Code Provision C.1.3 of the CG Code.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.soundwill.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2024 annual report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course in accordance with the Listing Rules.

APPRECIATION

As a final note, I wish to take this opportunity to thank the Directors and staff for their contributions and good performance in the past financial year.

By Order of the Board
SOUNDWILL HOLDINGS LIMITED
Chan Hing Tat
Chairman

Hong Kong, 20 March 2025

As at the date of this announcement, the Board of Directors of the Company comprises (i) Executive Directors: Foo Kam Chu Grace, Chan Wai Ling, Chan Hing Tat and Tse Wai Hang; and (ii) Independent Non-Executive Directors: Chan Kai Nang, Pao Ping Wing and Young Chun Man, Kenneth.