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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$ million	HK\$ million
Revenue	180.7	1,030.1
Net fair value loss on investment properties	(1,423)	(1,324)
Loss attributable to owners of the Company	(1,337.6)	(974.8)
Basic loss per share (dollars)	HK\$(4.72)	HK\$(3.44)
	At	At
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	HK\$ million	HK\$ million
Total assets	16,617	17,975
Net assets	14,345	15,677
Total borrowings	1,350	1,360
Gearing ratio	9%	9%
Net asset value per share (dollars)	HK\$50.6	HK\$55.3

* *For identification purpose only*

RESULTS

The board of directors (the “Board”) of Soundwill Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 which have been reviewed by the Audit Committee of the Company, with comparative figures for the corresponding period in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes		
Revenue			
Revenue from goods and services		18,522	856,374
Rental income		162,190	173,741
Total revenue		180,712	1,030,115
Cost of sales		(31,353)	(575,483)
Gross profit		149,359	454,632
Other income	4	31,965	34,553
Selling expenses		(310)	(560)
Administrative expenses		(56,067)	(44,680)
Net fair value loss on investment properties		(1,423,124)	(1,324,070)
Gain on disposal of subsidiaries		—	1,964
Finance costs	5	(24,819)	(38,576)
Loss before income tax expense	6	(1,322,996)	(916,737)
Income tax expense	7	(14,588)	(57,812)
Loss for the period		(1,337,584)	(974,549)
Other comprehensive (expense)/income, net of 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”)		(2,450)	1,495
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange gain on translation of foreign operations		8,698	9,463
Other comprehensive income for the period, net of tax		6,248	10,958
Total comprehensive expense for the period		(1,331,336)	(963,591)

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

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
<i>Note</i>			
Loss for the period attributable to:			
	— Owners of the Company	(1,337,584)	(974,829)
	— Non-controlling interests	—	280
		<u>(1,337,584)</u>	<u>(974,549)</u>
Total comprehensive expense for the period attributable to:			
	— Owners of the Company	(1,331,336)	(961,968)
	— Non-controlling interests	—	(1,623)
		<u>(1,331,336)</u>	<u>(963,591)</u>
Loss per share for loss attributable to owners of the Company during the period			
	Basic	<u>HK\$(4.72)</u>	<u>HK\$(3.44)</u>

8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		13,861,625	15,266,445
Property, plant and equipment		111,201	112,361
Financial assets at FVTOCI		37,799	39,938
Deposits paid for acquisition of properties		—	2,750
Loan receivables	<i>9</i>	213,092	222,181
Total non-current assets		14,223,717	15,643,675
Current assets			
Properties for sale		1,018,788	1,017,723
Trade and other receivables	<i>9</i>	151,267	155,214
Financial assets at fair value through profit or loss ("FVTPL")		78,768	—
Short-term bank deposits		919,437	827,153
Cash and cash equivalents		221,044	323,633
Assets classified as held for sales		2,389,304	2,323,723
		4,164	7,741
Total current assets		2,393,468	2,331,464
Current liabilities			
Trade and other payables	<i>10</i>	547,707	566,266
Contract liabilities		31,143	30,939
Lease liabilities		14,406	15,652
Borrowings		438,474	891,298
Provision for income tax		170,834	165,456
Total current liabilities		1,202,564	1,669,611
Net current assets		1,190,904	661,853

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*CONTINUED*)

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Total assets less current liabilities	<u>15,414,621</u>	<u>16,305,528</u>
Non-current liabilities		
Borrowings	911,598	468,560
Lease liabilities	18,394	24,356
Deferred tax liabilities	<u>139,224</u>	<u>135,871</u>
Total non-current liabilities	<u>1,069,216</u>	<u>628,787</u>
Net assets	<u>14,345,405</u>	<u>15,676,741</u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	28,331	28,331
Reserves	<u>14,317,074</u>	<u>15,648,410</u>
Total equity	<u>14,345,405</u>	<u>15,676,741</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of Soundwill Holdings Limited (the “Company”) and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Unaudited Condensed Consolidated Interim Financial Statements”) have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Unaudited Condensed Consolidated Interim Financial Statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, except for investment properties, leasehold building, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair values or revalued amounts.

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s consolidated financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resources 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 of the Company are determined following the Group's major business lines.

The Group has identified the following operating and reportable segments:

Property development : Development of residential, industrial and commercial properties
Property leasing : Property rental including signage rental and rental under mini-storage operation
Building management : Provision of building management, property repairs and maintenance and other services 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 periods. Thus, this does not constitute a reportable segment during both periods.

Segment revenue and results

	Six months ended 30 June							
	Property development		Property leasing		Building management and other services		Segment total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
External customers	6,833	846,029	162,190	173,741	11,689	10,345	180,712	1,030,115
Inter-segments (note)	—	—	232	84	579	548	811	632
Segment revenue	6,833	846,029	162,422	173,825	12,268	10,893	181,523	1,030,747
Segment (loss)/profits	(11,223)	282,977	126,461	147,594	7,352	8,152	122,590	438,723
Certain other income, other gains and losses							20,613	22,779
Gain on disposal of subsidiaries							—	1,964
Certain administrative expenses							(18,256)	(17,557)
Net fair value loss on investment properties							(1,423,124)	(1,324,070)
Finance costs							(24,819)	(38,576)
Loss before income tax expense							(1,322,996)	(916,737)

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 subsidiaries, certain other income, other gain and losses, certain administrative expenses and income tax expense.

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	Property development		Property leasing		Building management and other services		Segment total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	<u>1,336,992</u>	<u>1,430,883</u>	<u>14,103,271</u>	<u>15,494,105</u>	<u>35,085</u>	<u>31,800</u>	<u>15,475,348</u>	16,956,788
Certain property, plant and equipment							19,287	18,537
Financial assets at FVTOCI							37,799	39,938
Financial assets at FVTPL							78,768	—
Short-term bank deposits							919,437	827,153
Certain cash and cash equivalents							82,382	124,982
Assets classified as held for sales							<u>4,164</u>	<u>7,741</u>
Total assets							<u>16,617,185</u>	<u>17,975,139</u>
Segment liabilities	<u>338,072</u>	<u>345,600</u>	<u>204,690</u>	<u>203,973</u>	<u>7,287</u>	<u>6,035</u>	<u>550,049</u>	555,608
Certain other payables							61,171	80,812
Borrowings							1,350,072	1,359,858
Deposit received for disposal of investment properties							430	793
Provision for income tax							170,834	165,456
Deferred tax liabilities							<u>139,224</u>	<u>135,871</u>
Total liabilities							<u>2,271,780</u>	<u>2,298,398</u>

Segment assets include all assets other than certain property, plant and equipment, financial asset at FVTOCI, financial assets of FVTPL, assets classified as held for sales, short-term bank deposits, certain cash and cash equivalents.

Segment liabilities comprise all liabilities other than certain other payables, provision for income tax, deferred tax liabilities, deposit received for disposal of investment properties and borrowings.

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income from financial assets at FVTPL and other bank interest income	21,800	26,811
Interest income from loan receivables	4,567	3,600
Dividend income from financial assets at FVTOCI	1,914	—
Miscellaneous income	3,684	4,142
	<u>31,965</u>	<u>34,553</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest expenses on:		
Borrowings	24,103	37,839
Lease liabilities	716	737
	<u>24,819</u>	<u>38,576</u>

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of completed properties for sale recognised as expense	4,390	553,874
Depreciation of right-of-use assets and other property, plant and equipment	620	1,342
Employee compensation expense (including Directors' remuneration and defined contribution cost)	70,285	73,911
Rentals in respect of short-term leases and low-valued leases	532	103

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The charge comprises:		
Hong Kong Profits Tax	11,172	53,861
Mainland China Enterprise Income Tax ("EIT")	59	205
Mainland China Land Appreciation Tax	4	394
Deferred tax charge	3,353	3,352
	<u>14,588</u>	<u>57,812</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both periods.

All of the Group's Mainland China subsidiaries are subject to Mainland China EIT rate of 25% for both periods.

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:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company (HK\$'000)	<u>(1,337,584)</u>	<u>(974,829)</u>
Number of shares		
Number of ordinary shares for the purpose of basic loss per share (note)	<u>283,308,635</u>	<u>283,308,635</u>

Note:

During the six months ended 30 June 2025 and 2024, neither the Company nor any of its subsidiaries had repurchased any of the Company's shares respectively.

No diluted loss per share for six months ended 30 June 2025 and 2024 was presented as there were no potential ordinary shares in issue during six months ended 30 June 2025 and 2024.

9. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES

As at 30 June 2025, trade receivables included in trade and other receivables were approximately HK\$54,408,000 (31 December 2024: HK\$48,895,000). The credit terms of the Group ranging from 30 to 90 days. The ageing analysis of trade receivables, presented based on the invoice date, was set out below:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
<i>Current assets:</i>		
Trade receivables		
0–30 days	11,289	12,778
31–90 days	12,885	16,002
91–180 days	12,266	9,300
Over 180 days	17,968	10,815
	<hr/>	<hr/>
Total trade receivables, net	54,408	48,895
	<hr/>	<hr/>
Loan receivables	153,208	154,365
Less: allowance for credit losses	(141,776)	(141,776)
	<hr/>	<hr/>
Total loan receivables, net	11,432	12,589
	<hr/>	<hr/>
Other receivables, utility deposits and prepayment	85,427	93,730
	<hr/>	<hr/>
Total trade and other receivables categorised as current assets	151,267	155,214
	<hr/>	<hr/>
<i>Non-current assets:</i>		
Loan receivables	213,092	222,181
	<hr/>	<hr/>
	364,359	377,395
	<hr/> <hr/>	<hr/> <hr/>

The Directors consider that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts due to short maturity periods on their inception.

10. TRADE AND OTHER PAYABLES

As at 30 June 2025, trade payables included in trade and other payables were approximately HK\$27,526,000 (31 December 2024: HK\$24,231,000). The Group was granted credit periods by its suppliers ranging from 30 to 60 days. The ageing analysis of trade payables, presented based on the invoice date, was set out below:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0–30 days	2,793	4,705
31–90 days	3,809	3,472
Over 90 days	20,924	16,054
	<hr/>	<hr/>
Total trade payables	27,526	24,231
	<hr/>	<hr/>
Other payables	520,181	542,035
	<hr/>	<hr/>
	547,707	566,266
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Increased unpredictability and numerous disruptions affected the global political and economic landscape in the first half of 2025. Frequent policy changes together with ongoing trade disputes severely damaged investment sentiment and undermined business confidence. We also observed an increase in operating costs, especially for small and medium-sized businesses, caused by rising global prices, regional geopolitical tensions and growing conflicts. Consequently, the economic recovery slowed, and investor and policy uncertainty weighed down the world's financial markets.

In this challenging environment, Hong Kong experienced poor economic performance and stalled growth momentum due to a combination of domestic and international factors. Although the Hong Kong SAR Government implemented policies designed to alleviate the situation, their success was limited. Overall confidence could not be restored by short-term increases in exports and tourism, and economic momentum continued to deteriorate as local consumer sentiment declined. Investors remained cautious, and the asset market came under pressure. Given this generally gloomy outlook, short-term breakthroughs seem improbable, making it likely that the local market will continue its decline. It is anticipated that the commercial and retail sectors will be affected by shifting local labour demand, which will increase operational pressures even more.

Our main investment properties, Soundwill Plaza, Soundwill Plaza II-Midtown, and 10 Knutsford Terrace, continued to see downward rental adjustments because of these unfavourable market conditions. This led to a minor drop in rental income during the period. In response to changing consumer behaviour and macroeconomic conditions, we improved our property management services and amenities, optimised the tenant mix, and launched focused marketing strategies, including special loyalty promotions by the Soundwill Club, to increase our competitiveness. We also committed online and offline resources to promote the distinctive consumer experience available at our properties.

Looking ahead, the Group will take a cautious approach towards replenishing and developing its land reserves in light of the local real estate market's ongoing weakness, low transaction volume and ongoing drop in commercial rental rates. Accordingly, we will take a more careful approach, reevaluating slowing down the pace of acquiring old buildings and consolidating building ownership. Our goal is to be more flexible in our resource capitalisation in order to better navigate an uncertain future.

We will review our key operational models, improve our asset strategy and continue exercising fiscal restraint in the face of a protracted market downturn, diminishing rental returns, and cautious local investment sentiment. In executing our long-term business strategies, we will focus on strengthening our cash flow and reserves, enhancing our risk management framework, improving operational efficiency and optimising resource utilisation.

Property Leasing

For the six months ended 30 June 2025, the Group's property leasing business segment recognised revenue of approximately HK\$162,190,000, representing approximately 90% of the Group's total revenue for the period.

The tourism industry during the review period showed signs of a gradual recovery, marked by a moderate rise in visitor arrivals. However, our property leasing operations did not benefit as much as we had anticipated, due to more restrained spending among tourists. Tenants reported mixed sales results, with some sectors affected by consumption downgrades and heightened market competition. This continued to place downward pressure on rental rates. Consequently, overall rental income did not recover in step with tourism growth, underscoring persistent weakness in the local retail landscape. Rental income recovery remained sluggish, and the Group recorded a slight decline in overall rental revenue during the period.

Despite ongoing market challenges, our properties — Soundwill Plaza, Soundwill Plaza II — Midtown, 10 Knutsford Terrace, and Kai Kwong Commercial Building — continued to enjoy steady foot traffic and potential long-term profitability, thanks to their prime locations. The Group remained committed to refining the tenant mix by attracting globally recognized brands and themed specialty restaurants. We also intensified efforts to drive customer engagement and spending through the Soundwill Club loyalty programme and a series of targeted limited-time promotions, including mileage rewards and family-oriented campaigns.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Group, provides secure, spacious and efficient storage solutions with professional management and high-quality services. Their facilities are all strategically located in key areas across Hong Kong and are fully equipped in compliance with the latest fire safety regulations to ensure the protection of stored items. In line with our prudent expansion strategy, we opened a new branch in Fo Tan to further strengthen our market presence. One Storage maintained a satisfactory overall occupancy rate during the period.

To meet evolving market needs, we launched One Box, an on-site storage service that offers customers a seamless, door-to-door storage experience through our easy-to-use booking system, all without leaving home. This service has been well received by customers in the medical, tourism and professional sectors, as well as by non-local students in Hong Kong. We continued to refine our operational processes during the period to further enhance the user experience of this service.

We also took steps to upgrade our security and smart management systems. All branches completed a new round of facility inspections and enhancements to improve safety and operational efficiency. Looking ahead to the next half-year, the Group plans to open a new branch in Tuen Mun and introduce additional smart self-service equipment to further improve customer convenience and strengthen our competitive edge.

Property Development

For the six months ended 30 June 2025, the Group's property development business segment recognised revenue of approximately HK\$6,833,000, representing approximately 4% of the Group's total revenue for the period.

iCITY, the Group's digital industrial landmark, is located at 111 Ta Chuen Ping Street, Kwai Chung. This 20-storey building provides a total of 601 workshops, each with a gross floor area ranging from 422 square feet to 510 square feet on a typical floor. With a typical ceiling height of 4.2 meters, the workshops offer a high degree of spatial flexibility. The project also features approximately 18,000 square feet of landscaped terraces with interactive facilities and social spaces.

Since its delivery at the beginning of last year, iCITY has benefited from strong leasing activity. According to market data, the project registered an occupancy rate of 95%, underscoring robust demand in the industrial workshop sector. Notably, a renovated mid-level unit with a gross floor area of 451 square feet was leased at HK\$16,000 at the start of the year, achieving a record-setting unit rental of approximately HK\$35 per square foot among industrial properties. Current market rents range from approximately HK\$12,000 to HK\$16,000, with an average of around HK\$31 per square foot, delivering a satisfactory return.

Given strong market demand and the influx of skilled professionals into Hong Kong, we plan to lease additional workshops as part of a planned sales launch of Phase II units later this year.

During the review period, the Central Government of Mainland China introduced policies aimed at revitalizing the country's real estate market, after showing signs it had bottomed out and entered a recovery phase. This has had an "icebreaking" effect, leading to a gradual rebound in sales and an acceleration in inventory reduction. First-tier and key second-tier cities have seen relatively quicker recoveries, while third- and fourth-tier cities continue to face challenges. Our property development projects in the Greater Bay Area — Grand Capital in Doumen District, Zhuhai, and Lakeview Bay • VOGUE, a high-rise and villa complex in Gaoyao District, Zhaoqing — both reached completion during the period. Grand Capital has only a few remaining units left for sale, while Lakeview Bay • VOGUE still has some units on the market. As both projects are in relatively remote third- and fourth-tier cities, and based on the broader market conditions, we anticipate that greater efforts and a longer time frame will be required to achieve a full sell-out.

Building Management and Other Services

For the six months ended 30 June 2025, the Group's building management segment recognised revenue of approximately HK\$11,689,000, representing approximately 6% of the Group's total revenue for the period.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Group, specialises in delivering high-quality, professional property management, maintenance and facilities management services for A-grade, large-scale commercial buildings, industrial buildings and small- to medium-sized estates. Backed by a team of highly experienced and professionally certified staff, the subsidiary has earned ISO 9001, ISO 14001 and ISO 45001 certifications, reflecting international recognition of its management standards.

In response to evolving client and market needs, the building management team conducts regular internal assessments and uses advanced technologies to continuously enhance service quality, ensuring dependable management support for both owners and tenants. In addition to managing the Group's existing properties, the team bids on new property and facilities management projects to expand its business portfolio.

To reduce carbon emissions and align with government environmental policies, the Group has established a team dedicated to environmental management and energy-saving. This team implements optimisation and energy-saving measures in support of the Group's long-term carbon reduction goals and its vision for a sustainable future. It has also adopted a waste management model to encourage stakeholders to reduce, sort, and recycle waste at source.

For more effective risk management, the building management team has established a centralised, high-tech management centre with an Internet of Things (IoT) system. This system helps prevent theft and allows operational equipment to be monitored, ensuring operational stability and safety. Apart from these business activities, the team participates in community service and charitable initiatives, in line with its commitment to create positive long-term impact on the community.

Communication with Shareholders and Investors/Investor Relations

The Group recognises that regular communication with shareholders is the key to good investor relations. Accordingly, we will keep the investment community abreast of our business performance and development strategies through timely disclosures. By establishing comprehensive and interactive communication through electronic communication channels, this not only reflects our commitment to transparency but also enables us to establish trusting and productive partnerships. In June this year, we held our annual general meeting. Along with briefings on the Company's results announcements, we regularly contacted the media through press releases, announcements and other publicity materials.

We aim to strike a balance between compliance with corporate governance requirements and business performance, by driving growth while also enhancing our management practices. The Board believes that sound corporate governance is essential to the Group's long-term success and sustainable development and that it creates lasting value for shareholders.

Corporate Citizenship

Sustainable development has always been integral to the Group's core strategies. To that end, we have a dedicated team in place to review and optimise our environmental, social, and governance performance, while proactively addressing the challenges and opportunities posed by climate change. To strengthen our sustainability efforts, we will establish a specialised team focused on the Group's response to climate change. This team will lead our carbon reduction and energy-saving initiatives, enhance our climate risk management capabilities and improve cross-departmental coordination in the transition to a low-carbon operational model.

Throughout the years, the Group has been giving back to the community by participating in community services and volunteer initiatives. During the period, the Soundwill Volunteer Team, along with volunteers from our subsidiaries, continued to take part in various community activities to fulfil our corporate social responsibilities. Their efforts included supporting non-profit organisations, promoting local environmental recycling programmes, and providing long-term complimentary mini-storage space to charitable groups in order to assist their logistics needs.

During the period, the Group was honoured with the BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 — EcoPartner by the Federation of Hong Kong Industries. This award recognises the efforts of the Group, our subsidiaries and our property projects to promote environmental protection. Looking ahead, we will remain committed to addressing societal and environmental needs by deepening our collaboration with regional and non-profit-making organisations and making use of our resources and real estate strengths to enhance community engagement. It is our belief that through a diverse range of initiatives, we can create a more inclusive society and a sustainable world for future generations.

Outlook

Looking ahead to the second half of 2025, we expect that global political and economic instability, along with uncertain international trade policies, will affect cross-border capital flows and disrupt global supply chains. Therefore, the global economic outlook will remain clouded, owing to the divergent growth trajectories of major economies, cautious market sentiment and conservative strategies adopted by enterprises and investors.

Hong Kong will continue to face the challenges of subdued economic momentum, consumer confidence and investment sentiment, on the one hand, and a property market weighed down by soft commercial rental returns and a lack of market confidence on the other. We will also see the continuation of steps towards revitalizing the tourism and retail sectors, as well as promotions of the mega event economy, an enhanced Individual Visit Scheme, and increased duty-free allowances for visitors. Despite these measures, however, the prospects for a broader market recovery remain uncertain.

For our part, we will continue to address operational challenges prudently by adapting flexible strategies, consolidating our core operations, and remaining open to new development directions. We will also proactively seek business opportunities and operational synergies to sustain our competitive edge. Considering the weak local property market and downward pressure on rentals, we will adopt a prudent approach to managing our land reserves and pace of project development, ensuring greater flexibility in resource allocation.

In addition, we will continue to optimise resource allocation and enhance operational efficiency, while maintaining liquidity and strengthening our cash flow. With sound and sustainable financial management and a robust capital structure, we are well-positioned to withstand economic fluctuations. Looking ahead, we will combine the strengths of our property portfolio with our business assets to solidify our market position, explore new business areas, and further enhance our competitiveness and long-term growth potential, with the ultimate aim of delivering more sustainable returns to our shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the Group has recorded a revenue of approximately HK\$180,712,000 (30 June 2024: HK\$1,030,115,000), representing a decrease of approximately HK\$849,403,000 as compared with the same period last year. The decrease in revenue was mainly due to the decrease in income recorded from the property development project.

Loss attributable to owners of the Company for the six months ended 30 June 2025 was approximately HK\$1,337,584,000 (30 June 2024: Loss of HK\$974,829,000), representing an increase in loss of 37% as compared with the corresponding period in 2024. The increase in loss was mainly due to decrease in income recorded from the property development project and valuation loss of investment properties of HK\$1,423,124,000 was recorded as at 30 June 2025, when compared with a loss of HK\$1,324,070,000 during the corresponding period in 2024.

The total interest expenses for the six months ended 30 June 2025 amounted to approximately HK\$24,819,000 (30 June 2024: HK\$38,576,000).

The Company's basic loss per share was HK\$4.72 as compared with the loss per share in the same period of last year of HK\$3.44.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2025, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to approximately HK\$1,140,481,000 (31 December 2024: HK\$1,150,786,000). The Group's total borrowings as at 30 June 2025 were HK\$1,350,072,000 (31 December 2024: HK\$1,359,858,000). The Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 9% as at 30 June 2025 (31 December 2024: 9%).

As at 30 June 2025, the Group's net assets amounted to approximately HK\$14,345,405,000 (31 December 2024: HK\$15,676,741,000).

The Group's exposure to foreign currency risk mainly arises from the exchange rate movement between Hong Kong Dollar and Renminbi in relation to its Mainland China operations. Given there would have immaterial impact on the Group's assets in the Mainland China which generated income from as well as incurred expense in Mainland China, the Group had not implemented any hedging measures during the period under review.

During the period under review, the Group did not commit to 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.

PROPOSED PRIVATISATION OF THE COMPANY

Reference was made to the composite scheme document of the Company and the Offeror dated 30 April 2025 (the “Scheme Document”), unless the context requires otherwise, capitalized terms used in this paragraph have the same meanings as those defined in the Scheme Document. On 5 March 2025, the Offeror requested the Board to put forward the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of listing of the Shares from the Stock Exchange.

As the Scheme was not approved by the Scheme Shareholders at the Court Meeting, the Company has maintained its listing status on the Stock Exchange. Please refer to the joint announcement of the Company and the Offeror dated 23 May 2025 for details.

SIGNIFICANT INVESTMENTS HELD

Save as those disclosed under the sections headed “Management Decision and Analysis”, the Group did not have any significant investments during the financial period ended 30 June 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the period ended 30 June 2025, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

EVENT AFTER REPORTING PERIOD

Saved as disclosed in this announcement there were no other significant events affecting the Company nor any of its subsidiaries after the reporting period as at 30 June 2025.

EMPLOYEES AND REMUNERATION POLICY

The Group employed an average of 321 people and 50 people in Hong Kong and Mainland China respectively as at 30 June 2025 (30 June 2024: 301 and 42 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. During the six months ended 30 June 2025, total salaries and wages were approximately HK\$70,285,000 (30 June 2024: HK\$73,911,000).

PLEDGE OF ASSETS

As at 30 June 2025, certain investment properties, properties for sales and property, plant and equipment of the Group with a total carrying value of approximately HK\$8,531,831,000 (31 December 2024: approximately HK\$9,335,969,000) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group provided guarantees amounted to approximately HK\$11,345,000 (31 December 2024: HK\$13,172,000) to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the Mainland China. 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.

CORPORATE GOVERNANCE

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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the six months ended 30 June 2025 except for the following deviation:

Code Provision C.2.1

Code Provision C.2.1 of the CG Code 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 fully complied with the Model Code throughout the six months ended 30 June 2025.

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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float throughout the six months ended 30 June 2025 and up to the date of this report as required under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee, comprising three independent non-executive Directors, has reviewed with the management, the accounting principles and practices adopted by the Group and discussed internal control systems and risk management, internal audit and financial reporting matters. The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 has been reviewed with no disagreement by the Audit Committee.

PUBLICATION OF THE INTERIM RESULTS AND 2025 INTERIM REPORT

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) as well as the website of the Company (www.soundwill.com.hk). The Company's 2025 interim report will be dispatched to Shareholders and will be published on the aforementioned websites in due course.

APPRECIATION

As a final note, I wish to take this opportunity to thank the Directors and staff for their contributions and good performance during the period.

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

Hong Kong, 21 August 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.