

# Reinforcing

## *Local Commitment*



### **Property Development**

The property market in Hong Kong has been in a state of constant flux in the past few years, and though the future at present is uncertain, there is a great demand from investors for quality commercial and residential properties.

With years of experience in the real-estate industry, Soundwill Plaza, the Group's flagship property, enjoys a good leasing potential thus guaranteeing a stable rental income. With the sale of various properties last year, which includes the vacant site at Sharp Street East in Causeway Bay, the office portion of 8 Russell Street and all residential units of Tai Hang Hau Village House, the Group has been able to reduce the debt level and greatly improve its financial condition substantially.

The Group is dedicated to developing the local property market. By bringing in a strategic partner to jointly develop residential project in the New Territories, it is expected that this project will further expand the Group's business.

Finally, the Group's negotiations with bankers for refinancing have come to an advanced stage. Coupled with the successful disposal of the office portion of 8 Russell Street, Soundwill Holdings believes that the Group is now entering a relatively stable period after overcoming a number of business challenges in the past year.

### **Soundwill Plaza**

Located at 38 Russell Street and facing Time Square, Soundwill Plaza is the Group's flagship building. Its extension project was started in May 2000 and an additional of over 40,000 square feet of office space has been added. Currently, tenants of Soundwill Plaza are mostly large-scale corporations.

As a Grade A commercial building in the district with a distinctive retail image, Soundwill Plaza has been able to attract many high-end retailers as tenants which results in a stable occupancy rate and rental return. Rentals of some high quality units stand at a high level, bringing in a stable rental income for the Group.

# Fostering *Steady Growth*



The Group has also actively assisted its tenants in the implementation of various promotional activities, which include weblinks, advertisements, media interviews, leaflet distribution, etc.. It aims at enhancing a better understanding of the property and the tenants, which results in an improvement in business for the tenants and value-added property business for the Group indirectly.

## **8 Russell Street**

The Group's another Grade A commercial building – 8 Russell Street – has been completed in 2001, adding over 120,000 square feet of office/retail space for the Group. The sale of the office space of 8 Russell Street has been completed in the pre-launch period at HK\$0.29 billion, which is considered as a reasonable price for a quality commercial building in the district.

Located at Causeway Bay's most commanding site, all retail premises of 8 Russell Street were leased out after the launch with a 100% occupancy rate. The tenants are mostly high-end retailers and eateries who contribute a stable rental revenue for the Group.

## **Tai Hang Hau Village House**

Situated at the crossroads of Clearwater Bay Road and Lung Ha Wan Road in Sai Kung, Tai Hang Hau Village House comprises 8 low-density luxury residential buildings with 21 split-level units and duplex units in total. All units were sold in late December 2001.



## Telecommunications

The Group holds a 63% stake in Optilink Technologies Company Limited and is developing and exploring its interests in optical networking technology field. To keep pace with the rapid developments in China's economy, the Group is actively seeking for leading vendors, manufacturers and traders and maintains strategic connections with them. With this support, it is expected that the Group will be able to explore China's optical networking technology market.

## Prospects

Looking to the future, the Group will continue to retain its flagship building, Soundwill Plaza, and seek for a stable growth. Also, the Group will explore potential property and related projects in a cost-effective way.

In view of global development, China's accession to the World Trade Organization has provided numerous scope for development spaces to local corporations. The number of Hongkongers moving to the Mainland, either for work or running enterprises, has increased substantially. It is expected that the Mainland's property market will continue to flourish. With a strong network in the Mainland and a deep understanding of the property market, the Group is planning to enter the China market. By bringing in excellent architecture capability and managing concepts for Grade A commercial buildings, the Group is confident that it will be able to motivate the property market in the Mainland.