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 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$ million	*HK$ million*
Revenue	**307.9**	180.7
Net fair value loss on investment properties	**(592)**	(1,423)
Loss attributable to owners of the Company	**(484.5)**	(1,337.6)
Basic loss per share (dollars)	**HK$(1.71)**	HK$(4.72)

	At	At
	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	HK$ million	*HK$ million*
Total assets	**15,305**	15,775
Net assets	**13,049**	13,551
Total borrowings	**1,279**	1,326
Gearing ratio	**10%**	10%
Net asset value per share (dollars)	**HK$46.1**	HK$47.8

* *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 2026 which have been reviewed by the Audit Committee of the Company, with comparative figures for the corresponding period in 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue			
Revenue from goods and services		**146,230**	18,522
Rental income		**161,718**	162,190
Total revenue		**307,948**	180,712
Cost of sales		**(124,433)**	(31,353)
Gross profit		**183,515**	149,359
Other income	*4*	**35,326**	31,965
Selling expenses		**(24,904)**	(310)
Administrative expenses		**(48,050)**	(56,067)
Net fair value loss on investment properties		**(591,751)**	(1,423,124)
Finance costs	*5*	**(23,485)**	(24,819)
Loss before income tax expense	*6*	**(469,349)**	(1,322,996)
Income tax expense	*7*	**(15,168)**	(14,588)
Loss for the period		**(484,517)**	(1,337,584)
Other comprehensive (expense)/income, net of tax			
Item that will not be reclassified to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")		**(491)**	(2,450)
Item that may be reclassified subsequently to profit or loss:			
Exchange gain on translation of foreign operations		**11,668**	8,698
Other comprehensive income for the period, net of tax		**11,177**	6,248
Total comprehensive expense for the period		**(473,340)**	(1,331,336)

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

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Loss for the period		**(484,517)**	(1,337,584)
Total comprehensive expense for the period		**(473,340)**	(1,331,336)
Loss per share for loss attributable to owners of the Company during the period	*8*		
Basic		**HK$(1.71)**	HK$(4.72)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**12,388,550**	12,976,420
Property, plant and equipment		**109,216**	110,007
Financial assets at FVTOCI		**35,763**	35,941
Loan receivables	*9*	**156,147**	169,968
Total non-current assets		**12,689,676**	13,292,336
Current assets			
Properties for sale		**922,223**	1,016,871
Trade and other receivables	*9*	**193,720**	126,730
Financial assets at fair value through profit or loss ("FVTPL")		**61,162**	—
Short-term bank deposits		**890,969**	752,115
Cash and cash equivalents		**547,283**	586,870
Total current assets		**2,615,357**	2,482,586
Current liabilities			
Trade and other payables	*10*	**509,990**	529,383
Contract liabilities		**119,145**	31,281
Lease liabilities		**13,787**	14,349
Borrowings		**64,074**	64,074
Provision for income tax		**177,600**	166,565
Total current liabilities		**884,596**	805,652
Net current assets		**1,730,761**	1,676,934

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Total assets less current liabilities	**14,420,437**	14,969,270
Non-current liabilities		
Borrowings	**1,214,724**	1,261,761
Lease liabilities	**10,333**	14,709
Deferred tax liabilities	**146,136**	141,885
Total non-current liabilities	**1,371,193**	1,418,355
Net assets	**13,049,244**	13,550,915
EQUITY		
Equity attributable to owners of the Company		
Share capital	**28,331**	28,331
Reserves	**13,020,913**	13,522,584
Total equity	**13,049,244**	13,550,915

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 2026 (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 additional/change in accounting policies resulting from application of 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 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

The application of the amendments to HKFRS Accounting Standards 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 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 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	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	(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	**130,708**	6,833	**161,718**	162,190	**15,522**	11,689	**307,948**	180,712
Inter-segments *(note)*	**—**	—	**583**	232	**669**	579	**1,252**	811
Segment revenue	**130,708**	6,833	**162,301**	162,422	**16,191**	12,268	**309,200**	181,523
Segment profits/(loss)	**9,360**	(11,223)	**123,922**	126,461	**9,082**	7,352	**142,364**	122,590
Certain other income, other gains and losses							**22,464**	20,613
Certain administrative expenses							**(18,941)**	(18,256)
Net fair value loss on investment properties							**(591,751)**	(1,423,124)
Finance costs							**(23,485)**	(24,819)
Loss before income tax expense							**(469,349)**	(1,322,996)

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, 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 2026	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025	**30 June 2026**	31 December 2025
	(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	**1,278,986**	1,370,089	**12,580,061**	13,166,151	**34,286**	32,973	**13,893,333**	14,569,213
Certain property, plant and equipment							**23,526**	24,171
Financial assets at FVTOCI							**35,763**	35,941
Financial assets at FVTPL							**61,162**	—
Short-term bank deposits							**890,969**	752,115
Certain cash and cash equivalents							**400,280**	393,482
Total assets							**15,305,033**	15,774,922
Segment liabilities	**392,127**	315,406	**188,988**	204,004	**9,163**	6,033	**590,278**	525,443
Certain other payables							**62,977**	64,279
Borrowings							**1,278,798**	1,325,835
Provision for income tax							**177,600**	166,565
Deferred tax liabilities							**146,136**	141,885
Total liabilities							**2,255,789**	2,224,007

Segment assets include all assets other than certain property, plant and equipment, financial asset at FVTOCI, financial assets of FVTPL, 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 and borrowings.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income from financial assets at FVTPL and other bank interest income	**23,437**	21,800
Interest income from loan receivables	**4,734**	4,567
Dividend income from financial assets at FVTOCI	**953**	1,914
Miscellaneous income	**6,202**	3,684
	35,326	31,965

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest expenses on:		
Borrowings	**22,976**	24,103
Lease liabilities	**509**	716
	23,485	24,819

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of completed properties for sale recognised as expense	**100,648**	4,390
Depreciation of right-of-use assets and other property, plant and equipment	**546**	620
Employee compensation expense (including Directors' remuneration and defined contribution cost)	**68,100**	70,285
Rentals in respect of short-term leases	**315**	532

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax	**10,610**	11,172
Mainland China Enterprise Income Tax ("EIT")	**24**	59
Mainland China Land Appreciation Tax	**283**	4
Deferred tax charge	**4,251**	3,353
	15,168	14,588

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	
	2026	2025
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company *(HK$'000)*	**(484,517)**	(1,337,584)
Number of shares		
Number of ordinary shares for the purpose of basic loss per share *(note)*	**283,308,635**	283,308,635

Note:

During the six months ended 30 June 2026 and 2025, 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 2026 and 2025 was presented as there were no potential ordinary shares in issue during six months ended 30 June 2026 and 2025.

9. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES

As at 30 June 2026, trade receivables included in trade and other receivables were approximately HK$44,379,000 (31 December 2025: HK$37,992,000). The credit terms of the Group range from 30 to 90 days. The ageing analysis of trade receivables, presented based on the invoice date, was set out below:

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Current assets:		
Trade receivables		
0–30 days	**13,053**	9,118
31–90 days	**8,774**	7,559
91–180 days	**4,939**	3,800
Over 180 days	**17,613**	17,515
Total trade receivables, net	**44,379**	37,992
Loan receivables	**150,831**	152,267
Less: allowance for credit losses	**(141,776)**	(141,776)
Total loan receivables, net	**9,055**	10,491
Other receivables, utility deposits and prepayment	**140,286**	78,247
Total trade and other receivables categorised as current assets	**193,720**	126,730
Non-current assets:		
Loan receivables	**156,147**	169,968
	349,867	296,698

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 2026, trade payables included in trade and other payables were approximately HK$25,594,000 (31 December 2025: HK$24,373,000). 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 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
0–30 days	**3,394**	5,341
31–90 days	**2,499**	761
Over 90 days	**19,701**	18,271
Total trade payables	**25,594**	24,373
Other payables	**484,396**	505,010
	509,990	529,383

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In the first half of 2026, the international political and economic environment remained challenging. During this period, escalating geopolitical conflicts in the Middle East led to renewed volatility in energy and commodity prices, reigniting global inflationary pressures. Uncertainty over interest rates in the United States kept market attention closely focused on interest rate movements, resulting in an unpredictable investment environment.

Benefiting from the surge in demand for AI-related products and the recovery in Asia-Pacific trade, Hong Kong recorded a significant uptick in exports and re-exports, which drove broader economic growth. However, volatility in the external macroeconomic environment continued to put pressure on local asset markets. Banks remained cautious in approving mortgages for commercial, industrial and retail properties, which further constrained investment and transaction liquidity. With costs continuing to rise, both investors and end-users exercised greater restraint when they considered entering the market. At the same time, the retail and food and beverage sectors were forced to adapt to shifts in local consumption patterns, as consumers increasingly prioritised diversified experiences and value for money, creating downward pressure on rental yields.

During the review period, the Group's major investment properties, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, also faced rental pressures, which resulted in a slight decline in overall rental revenue. The Group's flagship digital industrial landmark, iCITY, delivered impressive performance during the review period. Following the launch of new units in March, the market responded enthusiastically with over 130 units subscribed by the end of June. To further unlock the project's value, the Group plans to fix price lists for more workshops and market top floor workshops in the second half of the year.

During the first six months of 2026, the Group maintained a prudent approach to its landbank and development strategy in a macro environment marked by cyclical adjustments in the local property market, a high-interest-rate regime and downward pressure on commercial property valuations. This involved re-evaluating the pace of the Group's old building acquisitions and ownership consolidation, deliberately adjusting it to respond dynamically to prevailing market conditions. The Group also remained focused on safeguarding liquidity and flexibility when allocating resources, carefully managing gearing ratios and cash flow risks, and exploring asset optimisation and monetisation opportunities as part of its long-term value creation strategy.

Property Leasing

For the six months ended 30 June 2026, the Group's property leasing business segment recognised revenue of approximately HK$161,718,000, representing approximately 53% of the Group's total revenue for the period.

During the review period, visitor arrivals to Hong Kong continued to grow driven by mega-events and major activities. However, spending patterns among both local residents and visitors have undergone a structural shift. As local consumers travelled north for outbound spending and market competition intensified, the retail and food and beverage sectors remained in a transitional phase of adaptation, placing downward pressure on the Group's property leasing business, particularly on rental renewals. Accordingly, the Group's rental revenue experienced a slight overall decline.

Despite the challenging macroeconomic environment, the Group continued to benefit from its prime property locations. Key assets, including Soundwill Plaza, Soundwill Plaza II — Midtown, 10 Knutsford Terrace and Kai Kwong Commercial Building, are strategically situated in core Hong Kong business districts, backed by steady foot traffic and strong long-term earning potential. During the period, the Group optimised the tenant mix in response to market changes. New leases included lifestyle and experiential based tenants, particularly human-pet grooming services, to capitalise on robust market demand driven by the "pet economy".

One Storage Management Company Limited

One Storage, a wholly owned subsidiary of the Group, provides secure, spacious and efficient storage solutions with attentive professional management services. All facilities are strategically located in key areas across Hong Kong; come equipped with comprehensive amenities; and are fully compliant with the latest fire safety regulations to ensure the security of stored items. Throughout the period, One Storage continued to open new branches and maintained a satisfactory overall occupancy rate.

To meet market demand, One Storage launched a cost-effective shared storage solution for corporate clients as well as customers carrying out home renovations. Another service of the company, One Box, is an on-site storage service that offers a seamless, door-to-door experience through its easy-to-use booking system. Well received by customers in various professional sectors, this service is just one example of how One Storage is enhancing the user experience by further refining its operational processes.

In a proactive move, the Group strengthened its fire safety and smart management systems during the review period. To further improve safety and operational efficiency, all branches completed a new round of facility inspections and enhancements. The Group now plans to introduce more self-access smart equipment that will improve customer service, convenience and competitiveness.

Property Development

For the six months ended 30 June 2026, the Group's property development business segment recognised revenue of approximately HK$130,708,000, representing approximately 42% of the Group's total revenue for the period.

iCITY, the Group's landmark digital industry building, is located at 111 Ta Chuen Ping Street, Kwai Chung. This 20-storey development comprises Phase I and Phase II, with a total of 601 workshops. On a typical floor, each workshop has a gross floor area ranging from 422 to 510 square feet. Workshops have an exceptionally high typical ceiling height of 4.2 meters, giving tenants a high degree of spatial flexibility. The project also features approximately 18,000 square feet of landscaped terraces with interactive spaces and facilities to promote social connectivity.

Phase II of the project, launched in late April 2026, offered discounted entry prices starting from approximately HK$2.16 million. These strategically adjusted prices, which were set in response to market demand, were enthusiastically received in the market. En-suite washrooms and high floor-to-ceiling heights, together with targeted marketing initiatives and integrated online/offline promotional campaigns, ensured the project enjoyed widespread attention after the launch. As of the end of June 2026, more than 130 units in Phase II had been subscribed. The Group also adopted a 'sold with tenancy' strategy, which successfully attracted capital inflows. The project was further supported by instances of both bulk investors entering the market and tenants transitioning from renting to buying, reflecting the robust demand for high-quality, small-sized modern industrial units such as those offered by iCITY.

In view of the rapid absorption of the remaining inventory of the project's units, the Group plans to launch a new price list for the project's additional units in the second half of the year. In response to sustained market demand, the prices of selected upper-floor and premium units are expected to increase by 3% to 6%. The Group also plans to launch rooftop workshops in the near term to further unlock the value of the project.

In the first half of 2026, the Mainland China property market continued to bottom out. Starting in the second quarter, however, localised recoveries were seen in select cities with a rebound in transaction activity. Notably, first-tier and core second-tier cities showed signs of temporary stabilisation, giving rise to a pattern of structural divergence across the market. The extent of these market recoveries relied heavily on "product competitiveness and location scarcity", which further deepened the divergence between different cities. At the policy level, the April meeting of the Political Bureau of the CPC Central Committee explicitly called for "striving to stabilise the real estate market". With this clear direction set, policy implementation in the second half of the year is expected to remain targeted on "stabilising property prices and market expectations", providing a more predictable regulatory environment.

Two property development projects reached completion in the Greater Bay Area during the period Grand Capital in Doumen District, Zhuhai, and Lakeview Bay • VOGUE, a high-rise and villa complex in Gaoyao District, Zhaoqing. Currently, Grand Capital has only a few remaining units left for sale, while Lakeview Bay • VOGUE still has some units on the market. Both projects benefited from adjustments to the Group's sales models and marketing strategies during the review period. For the Lakeview Bay project, the Group restructured the sales team and optimised its policies, unlocking regional market demand as evidenced by the significant uptick in transactions since March. In the second half of the year, the Group will look for sales growth opportunities, while leveraging the new national stabilisation policy and release of market demand to reinforce the long-term value of its Greater Bay Area operations.

Building Management and Other Services

For the six months ended 30 June 2026, the Group's building management segment recognised revenue of approximately HK$15,522,000, representing approximately 5% of the Group's total revenue for the period.

The Group's property management team specialises in high-quality building management and maintenance services. Its service portfolio spans Grade A office buildings, industrial premises and small-to-medium residential estates. Committed to delivering professional property and facility management solutions up to international standards, the property management team fully supports its clients' operations while enhancing the value of their assets. The team is composed of management personnel who have extensive experience and recognised qualifications, as well as ISO 9001, ISO 14001 and ISO 45001 international management system certifications. These certifications fully reflect the Group's rigorous standards and commitment to quality management, environmental protection, and occupational health and safety.

To ensure the safety and security of its clients' properties, the security team is equipped with advanced smart surveillance and patrol systems for better access control and prompt emergency responses. The maintenance and repair team, which is staffed by experienced technicians, provides installation, maintenance and preventive care services for electrical, drainage, fire safety, HVAC and elevator systems, backed by 24-hour emergency support, to guarantee seamless property operations.

During the first half of the year, the property management team conducted regular performance reviews and adopted innovative technologies, as part of an initiative to improve operational efficiency and enhance market competitiveness. To provide even more efficient security monitoring and facility condition monitoring, the team has implemented an Internet of Things (IoT)-enabled central management system that helps ensure the safe and reliable operation of its managed properties. Fully supported by the Group, the team continued to pursue opportunities to expand the property management and service portfolio during the review period, setting a solid foundation for its long-term strategic development.

Communication with Shareholders and Investors/Investor Relations

The Group firmly believes that regular, transparent communication is key to keeping investors better informed about the Group's businesses and development strategy. In the first half of 2026, the team simultaneously made use of various electronic communication channels and online platforms to ensure the timely and accurate disclosure of the Group's latest developments and financial information. By maintaining continuous engagement with global investors, the Group is able to further enhance transparency and build trust.

The Group held its annual general meeting in May 2026, while also maintaining close contact with the media and the investment community through regular performance announcements, press releases and day-to-day investor communications. Dedicated to promoting high-quality business growth, the Group continuously refines its corporate governance practices to strike an optimal balance among regulatory compliance frameworks, risk management and operational performance. The Board firmly believes that sound corporate governance is essential for guiding the Group towards its sustainable development and creating enduring value for shareholders.

Corporate Citizenship

Sustainability is one of the core values and an important corporate strategy of the Group. After establishing a dedicated sustainability task force, the Group continued to review and optimise its environmental, social and governance (ESG) performance during the review period. The Group has also formed a dedicated climate change task force to carry out its long-term green transformation strategy. Under this strategy, the Group has launched decarbonisation and energy-saving initiatives across core assets, aligned with the Stock Exchange's latest climate disclosure standards, and constructed a more resilient climate risk management framework. The implementation of cross-departmental low-carbon operational models was also accelerated during the period.

Community engagement is another important aspect of the Group's corporate social responsibilities. In the first half of the year, the Soundwill Volunteer Team, along with volunteers from One Storage and the property management team, participated in a variety of community events. These included collaborating in grassroots care initiatives to provide support for non-profit organisations, promoting waste reduction at source and recycling within the community, and offering complimentary storage space and logistics resources to support the supply chain needs of charitable endeavours.

The Group's environmental performance has received widespread recognition over the years, including the BOCHK Corporate Low-Carbon Environmental Leadership Awards — EcoPartner presented by the Federation of Hong Kong Industries. During the review period, the Group continued to integrate green, low-carbon principles into its daily operations. Looking ahead, the Group will stay closely aligned with societal needs and its environmental priorities. Leveraging its resources and the strategic locations of its property portfolio, the Group will deepen its collaboration with community groups and non-profit organisations to create long-term value for society.

Outlook

The global political and economic landscape in the second half of 2026 is likely to remain complex and challenging. On the one hand, major central banks have begun an interest rate cutting cycle as inflation gradually eases, providing support for market liquidity, and certain geopolitical tensions have begun to moderate. On the other hand, risks and uncertainty associated with a potential U.S. rate hike will probably persist, dampening overall market sentiment. Other risks include geoeconomic fragmentation and rising protectionist measures that will continue to challenge cross-border capital flows and global supply chain resilience. What's more, the long-term outlook for the AI industry remains uncertain, posing ongoing challenges for markets in the second half of the year.

Locally, Hong Kong's economy has been undergoing a structural transition. Foreign trade exports have shown resilience, buoyed by demand for tech products and the recovery in Asia-Pacific trade. However, cyclical adjustments in the asset market, coupled with profound shifts in the spending patterns of both residents and visitors, mean that rebuilding market confidence will take time. Nevertheless, the HKSAR government's implementation of Beijing's support measures, the expansion of the Individual Visit Scheme to more cities, and the promotion of a mega-event economy and high-quality tourism are expected to inject recovery momentum into the retail, food and beverage, and consumer sectors.

In response to external challenges, the Group will maintain its high strategic agility and defensive strengths. For its property development business, the Group will continue its prudent approach and maintain strict control over its landbank. For iCITY, the Group's digital industrial building project, the Group plans to fix price lists for more workshops and market top floor workshops in the second half of the year, while adjusting its dual-track sales and leasing strategy to accelerate capital recovery. For the core property leasing business, the Group aims to enhance operational efficiency and flexibility through tenant mix optimisation and premium property management services.

The Group regards cash flow management and financial discipline as the cornerstones of its long-term development, using its sound capital structure to navigate economic cycles. At the same time, the Group has been utilising digital tools to increase operational efficiency, exercise precise cost controls, maximise resource efficiency, and reinforce risk resilience, ensuring sufficient defensive capability and flexibility.

Looking further ahead, the Group will continue to consolidate its core business while maintaining an open mind toward diversification. This will involve exploring new commercial opportunities, deepening integrated synergies across the Group's portfolio, ensuring stability amid changing conditions, and creating more resilient and sustainable long-term value for shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2026, the Group has recorded a revenue of approximately HK$307,948,000 (30 June 2025: HK$180,712,000), representing an increase of approximately HK$127,236,000 as compared with the same period last year. The increase in revenue was mainly due to an increase in income from the property development project.

Loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately HK$484,517,000 (30 June 2025: Loss of HK$1,337,584,000), representing a decrease in loss of 64% as compared with the corresponding period in 2025. The decrease in loss was mainly due to an increase in income from the property development project and a decrease in valuation loss on investment properties of HK$591,751,000 was recorded as at 30 June 2026, when compared with a loss of HK$1,423,124,000 during the corresponding period in 2025.

Total interest expenses for the six months ended 30 June 2026 amounted to approximately HK$23,485,000 (30 June 2025: HK$24,819,000).

The Company's basic loss per share was HK$1.71 as compared with the loss per share in the same period of last year of HK$4.72.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2026, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to approximately HK$1,438,252,000 (31 December 2025: HK$1,338,985,000). Total borrowings of the Group amounted to approximately HK$1,278,798,000 as at 30 June 2026 (31 December 2025: HK$1,325,835,000). The Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 10% as at 30 June 2026 (31 December 2025: 10%).

As at 30 June 2026, the Group's net assets amounted to approximately HK$13,049,244,000 (31 December 2025: HK$13,550,915,000).

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 reporting 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 period, 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 is scheduled to match asset lives and project completion dates. Borrowings are denominated in Hong Kong Dollars and bear interest at floating rates.

TREASURY POLICY

Capital Structure Management

To ensure healthy liquidity, a strong financial position, and an optimised capital structure that supports its financing needs and sustainable growth, the Group strives to diversify funding sources and maintain an appropriate debt maturity profile aligned with the overall use of funds. The Group also aims to secure ample funding to meet its operational needs including capital expenditure on strategic projects, if any.

Funding sources

The Group focuses on diversified funding sources which primarily driven by the following activities:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Net cash generated from operating activities	**220,905**	81,580
Net cash used in investing activities	**(158,615)**	(143,473)
Net cash used in financing activities	**(106,497)**	(43,214)
Net decrease in cash and cash equivalents	**(44,207)**	(105,107)

Cash Management

The Group's total cash and bank balances at the respective reporting dates are as follows:

	30 June 2026		31 December 2025	
	HK$'000	**% of Total**	*HK$'000*	% of Total
Short-term bank deposits with original maturity over three months	**890,969**	**62%**	752,115	56%
Cash and cash equivalents	**547,283**	**38%**	586,870	44%
	1,438,252	**100%**	1,338,985	100%

All deposits are placed with banks carrying strong credit ratings. The counterparty risk is routinely monitored.

The Group's total cash and bank balances at the respective reporting dates by currency are as follows:

	30 June 2026		31 December 2025	
	HK$'000	**% of Total**	*HK$'000*	% of Total
Denominated in:				
USD	**1,177,835**	**82%**	1,112,370	83%
HKD	**197,749**	**14%**	117,705	9%
RMB	**62,668**	**4%**	108,910	8%
	1,438,252	**100%**	1,338,985	100%

Based on the information above, it is unlikely to have significant foreign currency risk as the total cash and bank balances are mainly denominated in USD and the HKD is pegged to the USD under a linked exchange rate system implemented in Hong Kong.

Maturity Profile

At the reporting dates, the average tenure of our debt portfolio was 1.9 years (31 December 2025: 2.3 years). The maturity profile was staggered over 3 years. Around 27% of our outstanding bank loans would be repayable after two years.

	30 June 2026		31 December 2025	
	HK$'000	**% of Total**	*HK$'000*	% of Total
Carrying amount of bank loans repayable based on the scheduled repayment dates set out in the loan agreements:				
Within one year	**64,074**	**5%**	64,074	5%
More than one year, but not exceeding two years	**863,724**	**68%**	493,493	37%
More than two years, but not exceeding five years	**351,000**	**27%**	768,268	58%
Total borrowings	**1,278,798**	**100%**	1,325,835	100%

Finance costs and Interest Coverage

For the six months ended 30 June 2026, interest expense on borrowings amounted to HK$23,485,000, representing a decrease of 5% as compared with HK$24,819,000 of corresponding period last year. The decrease was mainly attributable to a decrease in borrowings during the period.

The Group's interest coverage is defined as EBITDA divided by interest expenses on borrowings, which was 6 times for 2026 (2025: 5 times).

SIGNIFICANT INVESTMENTS HELD

Save as disclosed under the section headed "Management Discussion and Analysis", the Group did not have any significant investments during the financial period ended 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the period ended 30 June 2026, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

EVENT AFTER REPORTING PERIOD

Save 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 2026.

EMPLOYEES AND REMUNERATION POLICY

The Group employed an average of 318 and 52 employees in Hong Kong and Mainland China respectively as at 30 June 2026 (30 June 2025: 321 and 50 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 2026, total salaries and wages were approximately HK$68,100,000 (30 June 2025: HK$70,285,000).

PLEDGE OF ASSETS

As at 30 June 2026, certain investment properties, properties for sales and property, plant and equipment of the Group with a total carrying value of approximately HK$6,931,855,000 (31 December 2025: approximately HK$7,334,493,000) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group provided guarantees amounted to approximately HK$13,416,000 (31 December 2025: HK$25,759,000) 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 2026 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 as its code of conduct regarding Directors' securities transactions. 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 2026.

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 2026 (30 June 2025: 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 2026.

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had complied with rule 13.32B of the initial prescribed public float (25% of the total number of issued ordinary shares, excluding treasury shares) throughout the six months ended 30 June 2026 and up to the date of this announcement 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 2026 have been reviewed with no disagreement by the Audit Committee.

PUBLICATION OF THE INTERIM RESULTS AND 2026 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 2026 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, 20 August 2026

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.