



Press Release

## SOHO China Announces 2015 Annual Results Outstanding Rental Income Growth, SOHO 3Q Becomes China's Largest Provider of Co-working Space

- Turnover of RMB 995 million, Gross Profit of RMB 734 million, Gross Profit Margin of approximately 74%
- Rental income of approximately RMB 1.05 billion, Up 148% YoY
- Net Profit of approximately RMB 538 million
- RMB 9.01 billion in cash, and net gearing ratio at 24%
- The Board recommends the declaration and payment of a special dividend of RMB 0.348 per share.
- SOHO 3Q became China's largest operator and provider of co-working space

(2016 March 8, Hong Kong) SOHO China Ltd. (hereinafter referred to as "SOHO China" or the "Company") announces today the Company's audited annual results for 2015.

In 2015, SOHO China achieved turnover of approximately RMB 995 million, and gross profit of approximately RMB 734 million with a gross profit margin of approximately 74%. The Company realized rental income of approximately RMB 1.05 billion up 148% YoY. Net profit was approximately RMB 538 million. The Company holds RMB 9.01 billion in cash with a net gearing ratio of 24%. The Board recommends the declaration and payment of a special dividend of RMB 0.348 per share.

Since SOHO China announced its strategic transition from "Built-to-Sell" to "Build-to-Hold" three years ago, the Company has held an investment property portfolio of 1.7 million square meters in Beijing and Shanghai's most coveted locations. These prime location office properties have become the Company's most stable and valuable core assets. In a market environment of easing liquidity, asset price is continuously rising. SOHO China's 1.7 million square meter property portfolio has increased significantly in value, bringing increasing value to shareholders.



(Bund SOHO)

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Despite challenging market conditions in 2015, SOHO China successfully leased 290,000 square meters of properties, exceeding the annual target by 28%. Leases renewed at Wangjing SOHO saw a 25.1% increase in rental rate growth, and leases renewed at SOHO Century Plaza in Shanghai achieved 24.7% rental rate growth. This marks an incredible achievement, even in comparison with leading international office markets such as New York, Hong Kong and Tokyo.



(Guanghualu SOHO2)

The exceptional leasing results are due to the Company's constant dedication to perfection in product and service quality. Since undergoing the strategic transition, SOHO China has entered a period of stable development while realizing steady growth and asset value appreciation. The Company continues to strive toward enhancing asset value by offering unparalleled property management services attractive to tenants.

As an environmental initiative, SOHO China has worked with partners to create an energy saving system for the property sector. At present, the Company's projects consume half as much energy as industry peers, boasting energy saving capabilities more advanced than developers in the U.S., Japan, and Europe. In 2015, over 20 of SOHO China's projects implemented this energy management system. The Company's efforts in this area have won the praise of the local and international governments as well as industry peers.

Hundreds of thousands of tenants work in SOHO China buildings every day. Among their top office requirements are require reliable mobile and WIFI service. Last year, SOHO China partnered with China's top three telecom service providers – China Mobile, China Unicom and China Telecom – and invited them to compete and compare the strength of their mobile and WIFI signal and services. SOHO China endeavors to provide tenants with the fastest and most stable mobile and Internet network in China and in the world. In recent months, mobile and WIFI network signal strength at SOHO China properties has improved by 50% every month.



(SOHO China partnered with China's top three telecom service providers – China Mobile, China Unicom and China Telecom)

2015 marked a period of change for the Chinese economy. In the past, SOHO China tenants hailed from traditional industries such as steel and coal. In 2015 these traditional industries suffered widespread overcapacity. In contrast, new Internet-related businesses have emerged and grown over the past year, quickly becoming a more significant component of the Company's tenant base.

Loosening monetary policy in 2015 led to low interest rates and reserve requirement ratio in the Chinese market. Against this backdrop, SOHO China issued RMB 3 billion in onshore corporate bonds in January 2016 with a coupon rate of 3.45%. SOHO China also repaid part of the Company's foreign currency debt to minimize fluctuating exchange rate risk. Such a low coupon rate reflects investor confidence in the Company.

**Mr. Pan Shiyi, Chairman of SOHO China** says: "In this era of radical change, the old economy is declining, and a new structure is emerging. The Internet is the foundation, framework and tool for this new structure, which is more efficient, less costly and fairer. Numerous online platforms have replaced large corporations and have become platforms to convene countless individuals and small enterprises. In an open and competitive environment, these new players are able to fully exercise their strengths and skills, allowing them to provide better and cheaper products and services for greater society. The new economic structure is the sharing economy, and we created SOHO 3Q as a brand new way of providing office space in the sharing economy."

In the past year, 11 SOHO 3Q centers were completed in Beijing and Shanghai, with more than 10,000 desks and over 30,000 members. SOHO 3Q is now the largest provider of co-working space in China. The community has gathered entrepreneurs and enterprises of varying scales from the fields of education, medical services, information technology and other areas. The Company's plan for 2016 is to improve the membership system, grow the



member community and provide more flexible services.



(SOHO 3Q is now the largest provider of co-working space in China)

In 2016, SOHO China will maintain a healthy and stable pace of growth, and will continue to provide high quality products and services to SOHO China tenants, with the overall aim of ensuring growth in asset value.

**Further questions, please contact:**

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