



Press Release

SOHO China Announces 2016 Interim Results
Property Value on the Rise
Turnover up 85%, Net Profit up 344%

- **SOHO Century Plaza sold for RMB 3.297 billion, RMB 76,700/sqm, in July 2016 at 21% premium over book value and 70% over acquisition cost. The property's 43,000 square meters accounted for 3.7% of SOHO China's investment property portfolio.**
- **Leasing business achieved high average occupancy of 85% with RMB 700 million in rental income, up 60% YoY.**
- **SOHO 3Q now China's largest provider of co-working space, with 16,000 desks in Beijing and Shanghai.**
- **Prepaid US\$ 1.42 billion in foreign debts reducing foreign debt ratio from 56% to 6%, successfully offloading risk of RMB depreciation. Borrowing cost down to 4.4%, with 37% net gearing.**
- **Turnover of RMB 727 million, up 85% YoY, with gross profit margin of 77%. Net profit of RMB 600 million, up 344% YoY.**
- **The Board has recommended a special dividend of RMB 0.19 per share.**

(August 17, 2016, Hong Kong) SOHO China Ltd. (hereinafter referred to as "SOHO China" or the "Company") announces today the Company's interim results for 2016.

In first half of 2016, SOHO China achieved turnover of approximately RMB 727 million, up 85% year on year, and a gross profit margin of 77%. Net profit was approximately RMB 600 million, up 344% over the same period last year. The Company prepaid foreign syndicated loans of US\$ 644 million and HK\$ 4.05 billion and redeemed foreign senior notes of US\$ 253 million, reducing the ratio of foreign debt from 56% at the end of last year to 6% in the middle of this year. This has optimized the Company's debt structure and offloaded the risk of a devaluing RMB. Meanwhile, borrowing cost has dropped to 4.4%, and the Company's net gearing ratio stands at 37%. The Board of Directors has recommended the declaration and payment of a special dividend of RMB 0.19 per share.

Since the Company's strategic transition from "Build-and-Sell" to "Build-to-Hold", SOHO China's investment property portfolio has continued to consistently rise in value. On July 29, SOHO China sold SOHO Century Plaza in Shanghai with 43,000 square meters of commercial space for RMB 3.297 billion, or RMB 76,700 /square meter. The property's transaction price was 21% premium over book value, and 70% higher than acquisition cost. This demonstrates the high value, strong liquidity and risk resilience of SOHO China's commercial properties.

SOHO China will adhere to its development strategy of holding and leasing office space in prime locations in Beijing and Shanghai. Now the total GFA of commercial properties owned by SOHO China stands at 1.7 million square meters, with 1.2 million square meters of leasable

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space. Accounting for 3.7% of the Company's total leasable space, the sale of SOHO Century Plaza will have but a minimal impact on the Company's office rental business. As pipeline projects complete, SOHO China will have more leasable space on the market. Gubei SOHO and SOHO Leeza are slated for completion in 2018, and SOHO Tianshan Plaza in Shanghai is slated for completion this year.

With property value on the rise, SOHO China is posting significant gains in rental income, reaching RMB 700 million for the first half of 2016, a 60% increase year on year, and a solid indicator of the Company's successful transition. In the midst of a global economic slowdown and downward pressure on the Chinese economy, SOHO China has successfully maintained high occupancy, averaging 85% for all properties on the market.

SOHO China's office leasing booked outstanding results during the Period, posting a 9.6% increase in rental prices over last year with significant rental growth at Hongkou SOHO and Bund SOHO, both projects completed at the end of last year. The occupancy of Hongkou SOHO office rose from 30.6% early this year to 62% at present. Since its grand opening in October 2015, occupancy at Bund SOHO office has reached 92.5%, nearing full capacity. Sky SOHO's office occupancy has reached 85.8%.

The rapid development of the internet has dramatically transformed the office market and the way we work. In early 2015, SOHO China launched SOHO3Q, co-working space for the China office market. In a mere one and a half years, the Company has become China's largest provider of shared office space with 16,000 seats in Beijing and Shanghai. Occupancy is already at 70%. SOHO 3Q will be a main driver of SOHO China's future growth in the years to come.

Further questions, please contact:

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