

SOHO  CHINA
Stock Code: 410

SOHO CHINA LIMITED

2021
INTERIM REPORT



SOHO CHINA

The board (the “Board”) of directors (the “Directors”) of SOHO China Limited (the “Company” or “SOHO China” or “we”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 (the “Period” or “1H2021”), together with the comparative figures for the six months ended 30 June 2020.



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BUSINESS REVIEW AND MARKET OUTLOOK

MARKET REVIEW AND OUTLOOK

In the first half of 2021, we were very pleased to see the short-term impact of the pandemic gradually receded, the domestic economy continued to recover, and the People's Republic of China's ("PRC" or "China") GDP in the first half of the year increased 12.7% year-on-year. The office leasing markets in Beijing and Shanghai also began to pick up. According to Cushman and Wakefield's market reports, in the first half of 2021, the market of Beijing's Grade A office buildings had recovered to a net absorption of 336,000 square meters; and Shanghai's overall recovery was even better, with Grade A office's net absorption reaching about 760,000 square meters. The net absorption of both cities was significantly higher as compared with the same period in 2019 and 2020.

Nonetheless, with the pressure of new supply, Beijing's Grade A office vacancy rate remained high at 17.5%, with a slight increase year-on-year. Vacancy rates in Shanghai eased slightly with Grade A office vacancy rate dropping from 20.9% at the end of June 2020 to 18.8% at the end of the first half of 2021. It is estimated that there will be more than 3 million square meters of new office supply in Beijing and about 5 million square meters in Shanghai by 2025, which will bring certain challenges to both markets.

Owing to the prime geographic locations and strong operational capabilities, SOHO China's portfolio has recovered quickly from the impact of the pandemic. The average occupancy rate of the Group's stabilized investment properties has recovered from 78% at the end of June last year to 90% as at 30 June 2021. Driven by anchor tenants, Leeza SOHO's occupancy rate also increased to 74%, reaching a leading level among buildings of similar size in the Lize Financial Business District.

In April this year, Commune by the Great Wall re-opened under the management of the Hyatt Group. This high-quality hotel is the second collaboration between SOHO China and Hyatt following the Hyatt Place Shanghai Tianshan Plaza at SOHO Tianshan Plaza. The unique design of Commune by the Great Wall, coupled with Hyatt's globally recognized high-standard operating capabilities, will bring guests an even more extraordinary holiday experience.

With regard to sustainability, the Company continues to incorporate social responsibility, environmental protection, and product liability into corporate governance and daily business activities in order to assume corporate social responsibility. Not long before the date of this report, SOHO China donated RMB10 million to the Red Cross Society of China Zhengzhou Branch, which will support the procurement of disaster relief materials and post-disaster reconstruction. Four SOHO China projects, Galaxy SOHO, Guanghua Road SOHO II, Wangjing SOHO T3, and SOHO Tianshan Plaza, have obtained the "Two-star Green Building Label Certificate" issued by the Beijing Municipal Commission of Housing and Urban-Rural Development and the Shanghai Green Building Association. The purpose of this building evaluation system is to optimize the use of energy, land, materials, and water during the entire life cycle of a building, and to ensure the quality of the indoor environment, construction, and operations.

During the pandemic, SOHO China's high-quality portfolio located in prime locations of Beijing and Shanghai demonstrated its capability of risk-resilience and value protection. In the post-pandemic era, the economy will continue to improve and the Company is aiming to provide high-quality operations and platform-based management, and to realize our corporate value.

RENTAL PORTFOLIO

The details of rental income and occupancy rates of major investment properties of the Group were as follows:

Projects	Leasable GFA ¹ (sq.m.)	Rental Income 1H2021 (RMB'000)	Occupancy Rate ² as at 30 June 2021	Occupancy Rate ² as at 30 June 2020
Beijing				
Qianmen Avenue Project	35,701	49,945	93%	87%
Wangjing SOHO	149,172	146,474	95%	73%
Guanghualu SOHO II	94,134	82,966	81%	77%
Galaxy & Chaoyangmen SOHO	45,913	32,123	74%	76%
Leeza SOHO	135,637	16,763	74%	10%
Shanghai				
SOHO Fuxing Plaza	88,234	106,696	87%	82%
Bund SOHO	72,006	95,900	97%	68%
SOHO Tianshan Plaza	97,681	92,115	86%	88%
Gubei SOHO	112,176	118,477	98%	77%

Notes: 1. The leasable GFA (gross floor area) attributable to the Group as at 30 June 2021.

2. Occupancy rate for office and retail areas.

MAJOR PROJECTS IN BEIJING

WANGJING SOHO

Wangjing SOHO is a large-scale office and retail project in the Wangjing area of Beijing, consisting of a total GFA of approximately 510,000 sq.m.. With a height of nearly 200 meters, Wangjing SOHO is now a landmark in Beijing. The project comprises three towers (Towers 1, 2 and 3), among which Towers 1 and 2 were mostly sold in 2014.



The Group is holding Wangjing SOHO Tower 3 and certain units of Towers 1 and 2. Tower 3 was completed in September 2014, with a total GFA of approximately 157,318 sq.m..

The Group is entitled to a leasable GFA of approximately 133,766 sq.m., including approximately 123,568 sq.m. of office area and approximately 10,198 sq.m. of retail area.

Wangjing area has become the emerging hub for internet companies in the northeast of Beijing. Wangjing area is also home to the headquarters of many prestigious multinational companies in the PRC.



GUANGHUALU SOHO II

Guanghualu SOHO II is located at the heart of the central business district in Beijing, close to subway lines 1 and 10. The total GFA of the project is approximately 117,179 sq.m. and the total leasable GFA attributable to the Group is approximately 94,134 sq.m., including approximately 63,308 sq.m. of office area and approximately 30,826 sq.m. of retail area. The project was completed in November 2014.

QIANMEN AVENUE PROJECT

Qianmen Avenue project is located in the Qianmen area, immediate south of Tiananmen Square, within one of the largest “Hutong” (traditional Beijing courtyards) conservation areas in Beijing. As at the date of this report, the Group has the right to retail area of approximately 54,691 sq.m., of which approximately 52,431 sq.m. was delivered to the Group at the end of June 2021. Currently, approximately 35,701 sq.m. is available for lease. The Group has been working towards its goal of developing Qianmen Avenue into a premier tourist destination. Leveraging on its considerable visitor traffic, the Group aims to continue to attract and retain high-quality tenants that fit the positioning of the project.



LEEZA SOHO

Leeza SOHO is located in the center of the Lize Financial Business District in Beijing. The project is to the south of Lize Road and less than one kilometer away from the West Second Ring Road, and is adjacent to the planned subway lines 11, 14 and 16 as well as the New Airport line, and the Lize Business District Financial Street connection line. Located between Beijing’s West Second and Third Ring Roads, the Lize Financial Business District is expected to be developed into Beijing’s next financial district, acting as an extension to Beijing’s current Financial Street which we believe is one of the most expensive office markets in the world. The Lize Financial Business District is planned to provide quality offices, apartments, exhibition centers, commercial zones and leisure facilities aiming to accommodate the increasing demand arising from the continued expansion of financial companies around the current Financial Street area.

Leeza SOHO has a total GFA of approximately 158,582 sq.m., and a total leasable GFA of approximately 135,637 sq.m.. The project was completed in December 2019.

MAJOR PROJECTS IN SHANGHAI

SOHO FUXING PLAZA

SOHO Fuxing Plaza is located at Huai Hai Road Central, the most vibrant and cosmopolitan commercial street in Shanghai with direct access to subway lines 10 and 13. It is right next to Shanghai Xintiandi, the most bustling and diverse commercial area of Shanghai. SOHO Fuxing Plaza has a total GFA of approximately 124,068 sq.m. and a leasable GFA of approximately 88,234 sq.m., of which approximately 47,964 sq.m. is for office use and approximately 40,270 sq.m. is for retail use. The project was completed in September 2014.



BUND SOHO

Bund SOHO is located on the Bund in Shanghai. Bund SOHO is very close to Shanghai's famous City God Temple and next to the Bund's multi-dimensional transportation hub and yacht wharf.

The Group is entitled to a leasable GFA of approximately 72,006 sq.m., including approximately 50,347 sq.m. of office area and approximately 21,659 sq.m. of retail area. The project was completed in August 2015.

SOHO TIANSHAN PLAZA

SOHO Tianshan Plaza is located at a prime location in the Hongqiao Foreign Trade Center in Changning District in Shanghai. The Hongqiao Foreign Trade Center area is Shanghai's first central business district for foreign enterprises and a gathering place for Changning's office buildings, business and high-end residential apartments. In close proximity to the Tianshan Road Commercial Street, SOHO Tianshan Plaza has direct access to Loushanguan Station on subway line 2.



SOHO Tianshan Plaza has a total GFA of approximately 155,827 sq.m.. The office and retail parts of SOHO Tianshan Plaza were completed in December 2016, with a total leasable GFA of approximately 97,681 sq.m., including approximately 74,428 sq.m. of office area and approximately 23,253 sq.m. of retail area. Hyatt Place Shanghai Tianshan Plaza, which is located at SOHO Tianshan Plaza, was completed in November 2017 and has started operation since the end of February 2018.



GUBEI SOHO

The land for Gubei SOHO is located in the core area of the Hongqiao Foreign Trade Center in Shanghai's Changning District, only 1 kilometer away from SOHO Tianshan Plaza.

The land is bordered by Yili Road to the east, Hongbaoshi Road to the south, Ma'nao Road to the west and Hongqiao Road to the north. The project is accessible underground from Yili Station on subway line 10 and with close proximity to Gubei Fortuna Plaza and other Grade A office buildings.

The project has a total GFA of approximately 156,654 sq.m. and a total leasable GFA of approximately 112,176 sq.m.. The project was completed in January 2019.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Rental Income

The Group achieved rental income of approximately RMB805 million in the Period, representing an increase of approximately 3% as compared with approximately RMB782 million in the same period of 2020.

Sale of Property Units

The Group recognized approximately RMB671 million sales revenue in relation to disposal of car parking spaces in the first half of 2020, while no such transaction was booked for the Period.



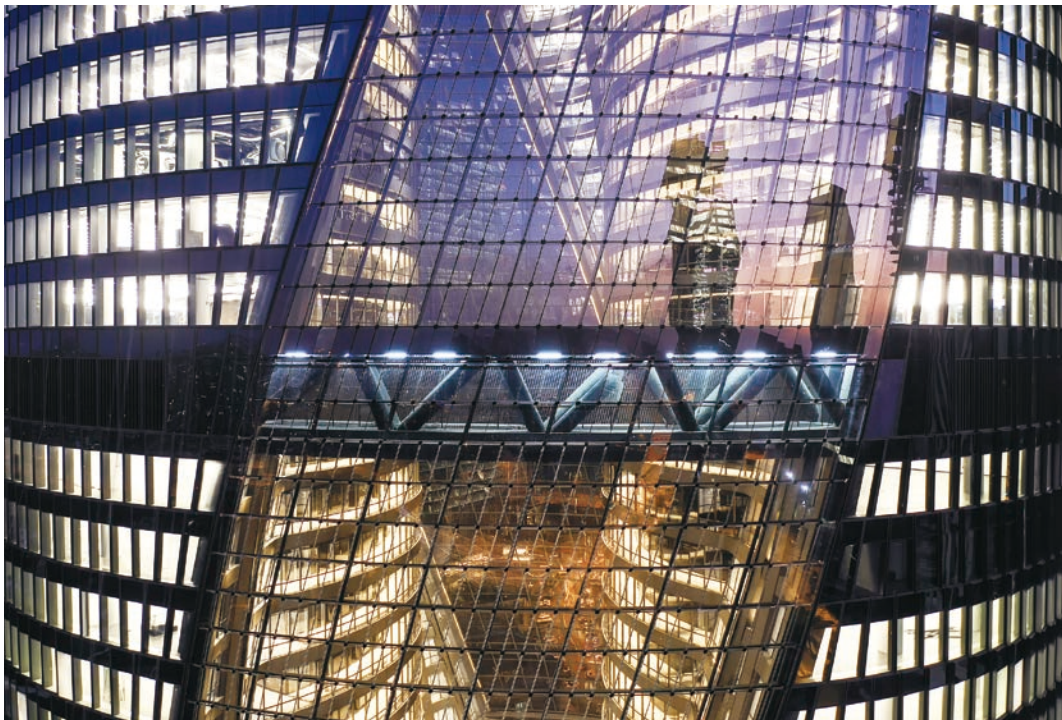
Profitability

Gross profit for the Period was approximately RMB659 million, representing a decrease of approximately RMB140 million or approximately 18% as compared with approximately RMB799 million in the same period of 2020, mainly due to the sales of car parking spaces recognized in the same period of 2020.

During the Period, net profit was approximately RMB343 million, representing an increase of approximately RMB138 million or approximately 67% as compared with approximately RMB205 million in the same period of 2020.

Cost Control

Selling expenses for the Period were approximately RMB21 million, as compared with approximately RMB24 million in the same period of 2020. Administrative expenses for the Period were approximately RMB74 million, as compared with approximately RMB92 million in the same period of 2020.



Finance Income and Expenses

Finance income for the Period was approximately RMB23 million, representing a decrease of approximately RMB15 million as compared with approximately RMB38 million in the same period of 2020.

Finance expenses for the Period were approximately RMB449 million, representing a decrease of approximately RMB21 million as compared with approximately RMB470 million in the same period of 2020, mainly due to the lower average funding cost during the Period.

Valuation Gains on Investment Properties

During the Period, valuation gains on investment properties were approximately RMB289 million, as compared with nil in the same period of 2020.

Income Tax Expense

Income tax expense for the Period was approximately RMB145 million, representing an increase of approximately RMB12 million as compared with approximately RMB133 million in the same period of 2020.

Income tax of the Group was composed of PRC corporate income tax, LAT and deferred tax. PRC corporate tax for the Period was approximately RMB8 million, as compared with approximately RMB100 million in the same period of 2020. LAT for the Period was nil, as compared with approximately RMB6 million in the same period of 2020. Deferred tax for the Period was approximately RMB137 million, as compared with approximately RMB27 million in the same period of 2020.

Bank Borrowings, Other Borrowings and Collaterals

As at 30 June 2021, total borrowings of the Group were approximately RMB18,523 million, of which approximately RMB1,182 million were due within one year, approximately RMB1,602 million were due after one year but within two years, approximately RMB5,442 million were due after two years but within five years, and approximately RMB10,297 million were due after five years. As at 30 June 2021, borrowings of the Group of approximately RMB17,855 million were secured by the Group's investment properties and/or shares of a subsidiary established in the PRC.

As at 30 June 2021, net gearing ratio was approximately 43% (31 December 2020: approximately 43%), calculated based on net debt (Total borrowings minus Cash and cash equivalents minus Bank deposits and structured bank deposits) over equity attributable to owners of the Company.

Risks of Foreign Exchange Fluctuation and Interest Rates

As at 30 June 2021, offshore borrowings were approximately RMB668 million, accounting for approximately 3.6% of total borrowings of the Group. The Company's average funding cost remained relatively low at approximately 4.7% as at 30 June 2021. During the Period, the Group's operating cash flow and liquidity had not been subject to significant influence from fluctuations in exchange rate.

Contingent Liabilities

The Group had entered into agreements with certain banks to provide guarantees in respect of mortgage loans offered to buyers of property units in prior years. As at 30 June 2021, the total amount of the mortgage loans guaranteed by the Group relating to such agreements was approximately RMB49 million (31 December 2020: approximately RMB72 million).

Capital Commitment

As at 30 June 2021, the Group's total capital commitment was approximately RMB53 million (31 December 2020: approximately RMB78 million).

Employees and Remuneration Policy

As at 30 June 2021, the Group had 1,711 employees, including 1,547 employees for the property management company.

The remuneration package of the Group's employees mainly includes basic salary and bonuses. Bonuses are subject to performance reviews conducted on a monthly basis.

OTHER INFORMATION

PRINCIPAL ACTIVITIES

The principal activities of the Group are real estate development, property leasing and property management. There were no significant changes in the nature of the Group's principal activities during the Period.

DIVIDENDS

The Board resolved not to declare an interim dividend for the Period (2020 interim dividend: Nil).

SHARE CAPITAL

As at 30 June 2021, the Company had 5,199,524,031 shares in issue (31 December 2020: 5,199,524,031 shares).

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong) (the "SFO"), which were required pursuant to section 352 of the SFO to be recorded in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to be notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the ordinary shares of the Company

Name	Personal interests	Family interests	Corporate interests	Number of ordinary shares	Approximate percentage of shareholding
Pan Shiyi	-	3,324,100,000 (L) (Note 2)	-	3,324,100,000 (L)	63.9309%
Pan Zhang Xin Marita	-	-	3,324,100,000 (L) (Note 3)	3,324,100,000 (L)	63.9309%

Notes:

(1) (L) represents the Directors' long position in underlying shares.

(2) Mr. Pan Shiyi had deemed interests in 3,324,100,000 shares of the Company held by his spouse, Mrs. Pan Zhang Xin Marita as mentioned in note (3) below. According to the disclosure of interests form filed by Mr. Pan Shiyi on 1 January 2018, Mr. Pan Shiyi is now a beneficiary of a discretionary trust (the "Trust") that was founded by his spouse, Mrs. Pan Zhang Xin Marita.

- (3) Each of Boyce Limited and Capevale Limited (“Capevale BVI”), both of which were incorporated in the British Virgin Islands, was interested in 1,662,050,000 shares of the Company. Boyce Limited and Capevale BVI are the wholly-owned subsidiaries of Capevale Limited (“Capevale Cayman”), which was incorporated in the Cayman Islands. Cititrust Private Trust (Cayman) Limited (in its capacity as trustee) is the legal owner of 100% of the issued share capital of Capevale Cayman. Cititrust Private Trust (Cayman) Limited held these shares under the Trust, for the benefit of the beneficiaries of the Trust, including Mrs. Pan Zhang Xin Marita.

(ii) Interests in the ordinary shares of the Company’s associated corporations

Name	Name of associated corporation	Nature of interest	Share capital (USD)	Approximate percentage of shareholding
Pan Shiyi	Beijing Redstone Jianwai Real Estate Development Co. Ltd.	Interests of controlled corporation	1,275,000 (Note)	4.25%
	Beijing SOHO Real Estate Co. Ltd.	Beneficial owner	4,950,000	5.00%
	Beijing Redstone Newtown Real Estate Co. Ltd.	Beneficial owner	500,000	5.00%
	Beijing Shanshi Real Estate Company Limited	Beneficial owner	1,935,000	5.00%

Note: These interests were held by Beijing Redstone Industry Co. Ltd.

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2021, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required pursuant to section 352 of the SFO to be recorded in the register referred to therein, or pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO showed that, other than the interests disclosed above in respect of certain Directors or the chief executives of the Company, the following shareholders of the Company had notified the Company of their relevant interests in the issued share capital of the Company:

Name	Nature of interest	Number of Shares	Approximate percentage of shareholding
Cititrust Private Trust (Cayman) Limited (Note 2)	Trustee	3,324,100,000 (L)	63.9309% (L)
Capevale Cayman (Note 2)	Interests of controlled corporation	3,324,100,000 (L)	63.9309% (L)
Boyce Limited (Note 3)	Interests of controlled corporation	1,662,050,000 (L)	31.9654% (L)
Capevale BVI (Note 4)	Interests of controlled corporation	1,662,050,000 (L)	31.9654% (L)

Notes:

- (1) (L) represents the shareholders' long position in Shares.
- (2) Cititrust Private Trust (Cayman) Limited (in its capacity as trustee of the Trust) is the legal owner of 100% of the issued share capital of Capevale Cayman. Capevale Cayman wholly owns Boyce Limited and Capevale BVI, each of which was interested in 1,662,050,000 shares of the Company. Accordingly, Cititrust Private Trust (Cayman) Limited is deemed to be interested in the 3,324,100,000 shares of the Company held by Boyce Limited and Capevale BVI via its interest in Capevale Cayman under the Trust for the benefit of the beneficiaries of the Trust, including Mrs. Pan Zhang Xin Marita.
- (3) Boyce Limited, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Capevale Cayman.
- (4) Capevale BVI, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Capevale Cayman.

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2021, none of any person who had interests or short positions in the Shares and underlying Shares which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OF THE COMPANY

At no time during the Period were any rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or minor children under 18, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement which would enable any Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities during the Period.

EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events affecting the Group have occurred since the end of the Period up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had been in compliance with the code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions carried out by the Directors. The Company has made specific enquiry to all Directors and all Directors have confirmed that they had complied with the required standard set out in the Model Code throughout the Period.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Under the leadership of the Chairman, the Board is also responsible for approving and overseeing the overall strategies and policies of the Company, approving the annual budget and business plans, assessing the Company's performance and supervising the work of the senior management.

The running of the day-to-day businesses of the Company is delegated by the Board to the management who is working under the leadership and supervision of the Board committees except that authority is reserved for the Board to approve interim and annual financial statements, dividend policy, annual budget, business plan and significant operational matters.

Regular Board meetings are held at least four times a year (at quarterly intervals) and any ad hoc meeting will be held when necessary. At least fourteen days' notice will be given to all the Directors prior to any regular Board meeting and any relevant materials to be presented to a Board meeting will be provided to Directors at least three days before such Board meeting. The Directors are appointed by shareholders of the Company through ordinary resolutions or appointed by the Board to fill any existing vacancies on the Board or for new additions to the Board. At each annual general meeting, one-third (or, if the number is not a multiple of three, the number nearest to but not less than one-third) of the Directors for the time being shall retire from office by rotation but are eligible for re-election and re-appointment.

The Chairman of the Board, Mr. Pan Shiyi, is the husband of Mrs. Pan Zhang Xin Marita, an executive Director and the Chief Executive Officer of the Company. Save as disclosed above, the Board members have no financial, business, family or other material/relevant relationships with each other.

The Board is established in accordance with the provisions of Rules 3.10 and 3.10A of the Listing Rules. Among the three independent non-executive Directors appointed, at least one or more are equipped with financial expertise. The number of independent non-executive Directors also represents at least one-third of the Board.

The Board's composition demonstrates a balance of core competence with regard to the business of the Company, so as to provide effective leadership and the required expertise to the Company.

Liability insurance for Directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

As at 30 June 2021, the Board comprised two executive Directors, namely, Mr. Pan Shiyi (Chairman) and Mrs. Pan Zhang Xin Marita (Chief Executive Officer), and three independent non-executive Directors, namely, Mr. Sun Qiang Chang, Mr. Xiong Ming Hua and Mr. Huang Jingsheng. Details of the composition of the audit committee, the remuneration committee and the nomination committee of the Company as at 30 June 2021 are set out in the section headed "Corporation Information" of this report.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim results for the six months ended 30 June 2021 are unaudited, but had been reviewed by the Company's auditor, PricewaterhouseCoopers.

The audit committee of the Company had reviewed the unaudited condensed consolidated interim results for the six months ended 30 June 2021 and considered that the Company had complied with all applicable accounting standards and disclosure requirements.

The unaudited condensed consolidated interim results for the six months ended 30 June 2021 were approved by the Board on 19 August 2021.

On behalf of the Board

Pan Shiyi
Chairman
Hong Kong
19 August 2021

CORPORATE INFORMATION

Executive Directors	Pan Shiyi (<i>Chairman</i>) Pan Zhang Xin Marita (<i>Chief Executive Officer</i>)
Independent Non-executive Directors	Sun Qiang Chang Xiong Ming Hua Huang Jingsheng
Company Secretary	Wong Sau Ping
Members of the Audit Committee	Sun Qiang Chang (<i>Chairman</i>) Xiong Ming Hua Huang Jingsheng
Members of the Remuneration Committee	Huang Jingsheng (<i>Chairman</i>) Sun Qiang Chang Xiong Ming Hua
Members of the Nomination Committee	Pan Shiyi (<i>Chairman</i>) Xiong Ming Hua Huang Jingsheng
Authorized Representatives	Pan Zhang Xin Marita Wong Sau Ping
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Corporate Headquarters	11F, Tower A Chaowai SOHO 6B Chaowai Street Chaoyang District Beijing 100020 China

Principal Place of Business in Hong Kong	31/F Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Principal Share Registrar and Transfer Office in the Cayman Islands	Suntera (Cayman) Limited Suite 3204, Unit 2A, Block 3, Building D P.O. Box 1586, Gardenia Court, Camana Bay Grand Cayman KY1-1110 Cayman Islands
Branch Share Registrar and Transfer Office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Hong Kong Legal Advisor	Stephenson Harwood 18th Floor, United Centre 95 Queensway Hong Kong
Auditor	PricewaterhouseCoopers 22/F, Prince's Building 10 Chater Road Central, Hong Kong
Principal Bankers	Agricultural Bank of China Bank of China Bank of Communications China Everbright Bank Company China Merchants Bank Industrial and Commercial Bank of China Standard Chartered Bank (Hong Kong) The Hongkong and Shanghai Banking Corporation
Website address	www.sohochina.com
Stock Code	410

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of SOHO China Limited
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 21 to 44, which comprises the interim condensed consolidated statement of financial position of SOHO China Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2021 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 August 2021

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021
(Expressed in Renminbi)

	Note	Unaudited Six months ended 30 June	
		2021 RMB'000	2020 RMB'000
Revenue			
Rental income		804,992	781,568
Sale of property units		-	671,151
Total revenue	6	804,992	1,452,719
Cost of sales		(145,965)	(653,568)
Gross profit		659,027	799,151
Valuation gains on investment properties	11	289,000	-
Other income and gains	7	197,504	212,121
Selling expenses		(20,531)	(24,315)
Administrative expenses		(73,697)	(92,217)
Other operating expenses		(136,335)	(125,645)
Operating profit		914,968	769,095
Finance income	8	22,517	38,183
Finance expenses	8	(449,236)	(469,604)
Profit before income tax		488,249	337,674
Income tax expense	9	(144,763)	(133,164)
Profit for the period		343,486	204,510
Profit attributable to:			
- Owners of the Company		340,300	203,872
- Non-controlling interests		3,186	638
Profit for the period		343,486	204,510
Earnings per share (RMB per share)	10		
Basic earnings per share		0.07	0.04
Diluted earnings per share		0.07	0.04

The notes on pages 28 to 44 form an integral part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021
(Expressed in Renminbi)

	Unaudited	
	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Profit for the period	343,486	204,510
Other comprehensive income :		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(26,908)	(6,443)
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	-	1,726
Other comprehensive income for the period, net of tax	(26,908)	(4,717)
Total comprehensive income for the period	316,578	199,793
Total comprehensive income for the period attributable to:		
- Owners of the Company	313,159	199,155
- Non-controlling interests	3,419	638
	316,578	199,793

The notes on pages 28 to 44 form an integral part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021
(Expressed in Renminbi)

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
ASSETS			
Non-current assets			
Investment properties	11	63,656,000	63,367,000
Property and equipment		1,108,935	1,129,835
Intangible assets		595	700
Deferred tax assets		993,889	898,194
Trade and other receivables	12	72,100	72,100
Investment in other financial assets		89,194	52,050
Total non-current assets		65,920,713	65,519,879
Current assets			
Completed properties held for sale		1,746,082	1,746,533
Prepayments		284,036	229,214
Trade and other receivables	12	390,647	421,096
Bank deposits		57,463	69,354
Structured bank deposits		1,218,731	2,321,355
Cash and cash equivalents		1,492,098	396,804
Total current assets		5,189,057	5,184,356
Total assets		71,109,770	70,704,235
EQUITY			
Equity attributable to owners of the Company			
Share capital	13	106,112	106,112
Other reserves		36,836,121	36,522,962
		36,942,233	36,629,074
Non-controlling interests		921,358	917,939
Total equity		37,863,591	37,547,013

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	14	17,340,575	17,457,907
Contract retention payables		465,658	399,743
Deferred tax liabilities		9,525,707	9,292,978
Total non-current liabilities		27,331,940	27,150,628
Current liabilities			
Bank and other borrowings	14	1,182,067	1,011,860
Receipts in advance from customers		132,206	77,615
Contract liabilities		86,689	84,218
Trade and other payables	15	2,824,700	3,100,204
Current tax liabilities		1,688,577	1,732,697
Total current liabilities		5,914,239	6,006,594
Total liabilities		33,246,179	33,157,222
Total equity and liabilities		71,109,770	70,704,235

The notes on pages 28 to 44 form an integral part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021
(Expressed in Renminbi)

	Unaudited							
	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Other reserves	Retained earnings	Total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2021	106,112	1,596	(1,621,640)	983,566	37,159,440	36,629,074	917,939	37,547,013
Profit for the period	-	-	-	-	340,300	340,300	3,186	343,486
Other comprehensive income	-	-	(27,141)	-	-	(27,141)	233	(26,908)
Total comprehensive income for the period	-	-	(27,141)	-	340,300	313,159	3,419	316,578
Balance at 30 June 2021	106,112	1,596	(1,648,781)	983,566	37,499,740	36,942,233	921,358	37,863,591

	Unaudited							
	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Exchange reserve	Other reserves	Retained earnings	Total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2020	106,112	1,596	(1,638,116)	977,106	36,623,836	36,070,534	1,045,605	37,116,139
Profit for the period	-	-	-	-	203,872	203,872	638	204,510
Other comprehensive income	-	-	(6,443)	1,726	-	(4,717)	-	(4,717)
Total comprehensive income for the period	-	-	(6,443)	1,726	203,872	199,155	638	199,793
Shares held for share award scheme	-	-	-	6,460	-	6,460	-	6,460
Balance at 30 June 2020	106,112	1,596	(1,644,559)	985,292	36,827,708	36,276,149	1,046,243	37,322,392

The notes on pages 28 to 44 form an integral part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

(Expressed in Renminbi)

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Cash flows from operating activities		
Proceeds from sales of property units and rendering of services	1,024,137	1,379,203
Refund of taxes and surcharges	809	5,836
Interest received	22,727	53,276
Cash received relating to other operating activities	46,546	10,944
Cash paid for properties and services	(49,251)	(181,418)
Cash paid to and on behalf of employees	(75,965)	(76,425)
Payments of taxes and surcharges	(92,291)	(158,546)
Income tax paid	(298,391)	(73,247)
Interest paid	(458,139)	(476,791)
Cash paid relating to other operating activities	(51,989)	(55,548)
Net cash inflow from operating activities	68,193	427,284
Cash flows from investing activities		
Payment for investment property development costs	(84,083)	(231,413)
Purchases of property and equipment	(9,457)	(6,250)
Decrease in bank deposits	-	7,673
Decrease/(increase) in structured bank deposits	1,107,301	(1,782,650)
Investment income from financial assets	16,103	7,295
Proceeds from disposal of investment properties	-	81,600
Investment in other financial assets	(27,728)	(14,124)
Net cash inflow/(outflow) from investing activities	1,002,136	(1,937,869)
Cash flows from financing activities		
Proceeds from bank and other borrowings	500,000	2,304,588
Repayments of bank and other borrowings	(441,244)	(1,459,622)
Decrease in restricted bank deposits	-	190,367
Proceeds from sale of shares held for share award scheme	-	6,460
Net cash inflow from financing activities	58,756	1,041,793

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Net increase/(decrease) in cash and cash equivalents	1,129,085	(468,792)
Cash and cash equivalents at the beginning of the period	396,804	1,206,837
Effects of foreign exchange rate changes on cash and cash equivalents	(33,791)	8,377
Cash and cash equivalents at end of the period	1,492,098	746,422

The notes on pages 28 to 44 form an integral part of these interim condensed consolidated financial information.

NOTES TO THE **INTERIM FINANCIAL REPORT**

1 General information

SOHO China Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in real estate development, property leasing and property management businesses in the People’s Republic of China (the “PRC” or “China”).

The Company has had its primary listing on the Stock Exchange of Hong Kong Limited since 8 October 2007.

2 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2021 (the “interim financial report”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and has been prepared on the going concern basis after the directors taking into account the Group having adequate financial resources including unutilized banking facilities as at 30 June 2021. The interim financial report was approved for issue by the Board on 19 August 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the statements for the year ended 31 December 2020 (“2020 annual financial statements”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), except for the adoption of new and amended standards which are set out in Note 3.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The interim condensed consolidated financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by the external auditor of the Company.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Group

Below new and amended standards and interpretations became effective for annual reporting periods commencing on or after 1 January 2021 and adopted by the Group for the first time in 2021 interim condensed consolidated financial information:

- Covid-19-related Rent Concessions – Amendments to HKFRS 16; and
- Interest Rate Benchmark Reform – Phase 2 – Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16.

The amended standards listed above did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments. The Group has not early adopted any other new or amended standards and interpretations that are not yet effective for the current accounting period.

4 Estimates

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements and estimations made by management were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

5 Financial risk management and financial instruments

5(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cashflow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended 31 December 2020.

There have been no significant changes in the risk management department or in any risk management policies since 31 December 2020.

5(b) Fair value of financial assets and liabilities measured at amortized cost

The fair value of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables excluding prepayments
- Bank deposits
- Bank and other borrowings
- Trade and other payables excluding tax payables
- Contract retention payables

5 Financial risk management and financial instruments (continued)

5(c) Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognized at fair value as at 30 June 2021.

	30 June 2021			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investment properties	-	-	63,656,000	63,656,000
Property and equipment				
- office premises	-	-	435,699	435,699
Financial assets at fair value				
- structured bank deposits	168,756	1,049,975	-	1,218,731
- investment in a private fund	-	-	89,194	89,194
Total assets	168,756	1,049,975	64,180,893	65,399,624

5 Financial risk management and financial instruments (continued)

5(c) Fair value estimation (continued)

The following table presents the Group's assets and liabilities measured and recognized at fair value as at 31 December 2020.

	31 December 2020			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investment properties	-	-	63,367,000	63,367,000
Property and equipment				
- office premises	-	-	442,562	442,562
Financial assets at fair value				
- structured bank deposits	1,440,640	880,715	-	2,321,355
- investment in a private fund	-	-	52,050	52,050
Total assets	1,440,640	880,715	63,861,612	66,182,967

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 during the six months ended 30 June 2021 (six months ended 30 June 2020: nil).

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- equity allocation model and price/booking multiple method with observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability and etc..

There were no changes in valuation techniques during the period.

5 Financial risk management and financial instruments (continued)**5(d) Fair value measurements using significant unobservable inputs (Level 3)**

	Investment properties RMB'000	Property and equipment – office premises RMB'000	Investment in other financial assets RMB'000	Total RMB'000
Opening balance at 1 January 2021	63,367,000	442,562	52,050	63,861,612
Additions	-	-	27,728	27,728
Gains on financial assets at fair value through profit or loss	-	-	9,416	9,416
Depreciation and impairment	-	(6,863)	-	(6,863)
Fair value changes recognized in profit or loss	289,000	-	-	289,000
Closing balance at 30 June 2021	63,656,000	435,699	89,194	64,180,893

5(e) Group's valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer ("CFO") and the audit committee (the "Audit Committee"). Discussions of valuation processes and results are held among the CFO, the Audit Committee and the valuation team at least once every six months.

The components of the Level 3 instrument are investments in a private fund. As this instrument is not traded in an active market, major assumptions used in the valuation include historical financial results, assumptions about future growth rates, estimate of discount rate etc. The fair value of this instrument determined by the Group requires significant judgement, including the financial performance of the investee company and discount rate, etc.. See Notes 11 for disclosures of the investment properties that are measured at fair value.

6 Revenue and segment reporting

6(a) Revenue

The Group is principally engaged in real estate development, and the provision of property leasing and property management services in the PRC. Revenue represents revenue from rental income and sale of property units and is analyzed as follows:

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Rental income	804,992	781,568
Sale of property units	-	671,151
	804,992	1,452,719

6(b) Segment reporting

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The CODM reviews the operating results of the Group's real estate development, property leasing and property management business as an integrate part, and allocates resources on the same basis. As such, the Group has only one operating segment.

7 Other income and gains

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Property management service income on lump sum basis	95,040	72,828
Gains on financial assets at fair value through profit or loss	30,196	17,811
Hotel operations income	19,917	12,601
Property management service income on commission basis	18,842	28,884
Government grants	2,596	9,264
Gains on early termination of lease agreement	-	9,658
Gains on disposal of investment properties	-	15,970
Others	30,913	45,105
	197,504	212,121

8 Finance income and finance expenses

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Finance income		
Interest income	22,517	38,183
Finance expenses		
Interest expenses on bank and other borrowings	449,421	475,849
Net foreign exchange gains	(619)	(6,533)
Bank charges and others	434	288
	449,236	469,604

9 Income tax expense

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Provision for the period		
Deferred tax	137,034	26,848
PRC corporate income tax	7,729	100,405
PRC land appreciation tax ("LAT")	-	5,911
	144,763	133,164

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Company and the Company's subsidiaries incorporated in the Cayman Islands and the BVI are not subject to any income tax.

In accordance with the Corporate Income Tax Law of the PRC, the corporate income tax rate applicable to the Company's subsidiaries in the PRC is 25% (six months ended 30 June 2020: 25%).

LAT is levied at the properties developed and sold in the PRC by the Group. LAT is charged on the appreciated amount at progressive rates ranged from 30% to 60%.

According to the Implementation Rules of the Corporate Income Tax Law of the PRC, the Company's subsidiaries in the PRC are levied a 10% withholding tax on dividends declared to their foreign investment holding companies arising from profit earned subsequent to 1 January 2008. In respect of dividends that are subject to the withholding tax, provision for withholding tax is recognized for the dividends that have been declared, and deferred tax liabilities are recognized for those to be declared in the foreseeable future.

10 Earnings per share, basic and diluted

The calculation of basic and diluted earnings per share is based on the profit attributable to owners of the Company for the six months ended 30 June 2021 of RMB340,300,000 (six months ended 30 June 2020: RMB203,872,000) and the weighted average number of 5,199,524,031 ordinary shares (six months ended 30 June 2020: 5,198,240,000) in issue during the period, and after adjusting for the effect of share award scheme, if any.

11 Investment properties

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Opening balance	63,367,000	61,833,246
Additions	-	11,088
Fair value gains	289,000	-
Right-of-use assets	-	(248,528)
Closing balance	63,656,000	61,595,806

The Group's investment properties were valued at 30 June 2021 and 2020, by the independent professionally qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, who holds recognized relevant professional qualifications and has recent experience in the locations and segments of the investment properties valued.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the CFO and the Audit Committee.

At the end of each financial reporting period the finance department:

- verifies all major inputs to the independent valuation report,
- analyzes property valuation movements and changes in fair values when compared to the prior period valuation report, and
- holds discussions with the independent valuer and reports to the CFO and the Audit Committee.

There have been no changes in the valuation techniques since the previous financial year end.

12 Trade and other receivables

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Non-current – Other receivables		72,100	72,100
Current – Trade receivables		216,343	235,495
Less: allowance for impairment of trade receivables		(36,842)	(36,842)
Trade receivables – net	<i>(a)</i>	179,501	198,653
Other receivables		288,614	299,911
Less: allowance for impairment of other receivables		(77,468)	(77,468)
Other receivables – net		211,146	222,443
Total of current portion		390,647	421,096

12 Trade and other receivables (continued)**12(a) Ageing analysis**

The ageing analysis of trade receivables based on due date is as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Current	141,492	157,556
Less than 1 month past due	1,861	331
1 month to 1 year past due	25,654	38,812
More than 1 year past due	10,494	1,954
Amounts past due	38,009	41,097
	179,501	198,653

13 Capital, reserves and dividends

13(a) Dividends

The Board resolved not to declare an interim dividend for the period (2020 interim dividend: nil).

13(b) Share capital and shares held for share award scheme

(i) Share capital

	Unaudited Six months ended 30 June			
	2021		2020	
	No. of shares Share'000	Share capital RMB'000	No. of shares Share'000	Share capital RMB'000
Authorized: Ordinary shares of HKD0.02 each	7,500,000		7,500,000	
Issued and fully paid: At 1 January	5,199,524	106,112	5,199,524	106,112
At 30 June	5,199,524	106,112	5,199,524	106,112

(ii) Shares held for share award scheme

	Unaudited Six months ended 30 June			
	2021 Shares held for share award scheme		2020 Shares held for share award scheme	
	No. of shares Share'000	RMB'000	No. of shares Share'000	RMB'000
At 1 January	-	-	2,366	11,739
Shares sold for employees' share award scheme	-	-	(2,366)	(11,739)
At 30 June	-	-	-	-

14 Bank and other borrowings

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Current	1,182,067	1,011,860
Non-current	17,340,575	17,457,907
	18,522,642	18,469,767

Movements in borrowings are analyzed as follows:

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
At beginning of the period	18,469,767	17,998,654
Proceeds of new borrowings	500,000	2,304,588
Repayment of borrowings	(441,244)	(1,459,622)
Effective interest adjustment	1,621	1,779
Exchange rate effect	(7,502)	14,818
At end of the period	18,522,642	18,860,217

As at 30 June 2021, borrowings amounting to RMB17,854,925,000 (31 December 2020: RMB17,760,248,000) were secured by the Group's investment properties and/or shares of a subsidiary established in the PRC.

15 Trade and other payables

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Trade payables	<i>(i)</i>	1,082,829	1,149,223
Amounts due to related parties	<i>17(a)</i>	812,732	812,732
Rental deposits		237,257	257,889
Others		581,797	569,881
		2,714,615	2,789,725
Financial liabilities measured at amortized cost		110,085	310,479
Other taxes payable		2,824,700	3,100,204

The carrying amounts of trade and other payables approximate their fair value.

(i) These trade payables are expected to be settled within 1 year or on demand.

16 Commitments and contingent guarantees

16(a) Commitments

Commitments outstanding as at the end of the reporting periods but are not provided for are as follows:

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Commitments of investments	52,536	78,448

16(b) Guarantees

The Group has entered into agreements with certain banks with respect to mortgage loans provided to buyers of property units. The Group has given guarantees on mortgage loans provided to the buyers by these banks. For most mortgage loans, the guarantees will be released when the property title deeds are pledged to banks as security for the respective mortgages, which generally take place within one year after the property units are delivered to the buyers. The total amounts of mortgage loans outstanding which are guaranteed by the Company's subsidiaries as at 30 June 2021 was RMB49,065,000 (31 December 2020: RMB72,462,000).

17 Material related party transactions

The Company is ultimately controlled by Mr. Pan Shiyi and Mrs. Pan Zhang Xin Marita.

17(a) Amounts due to related parties

Amounts due to related parties comprise:

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
China Fortune Properties (Group) Co., Ltd.	<i>(i)</i>	406,366	406,366
Shanghai Rural Commercial Bank	<i>(i)</i>	406,366	406,366
		812,732	812,732

- (i) The balances as at 30 June 2021 mainly represented the advances of RMB812,732,000 (31 December 2020: RMB812,732,000) from China Fortune Properties (Group) Co., Ltd. and Shanghai Rural Commercial Bank, the non-controlling equity holders of Shanghai Ding Ding Real Estate Development Co., Ltd., a subsidiary of the Company. The advances are interest-free, unsecured and have no fixed term of repayment.

17(b) Key management personnel remuneration

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Short-term employee benefits	7,763	9,383
Post-employment benefits	177	54
	7,940	9,437

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