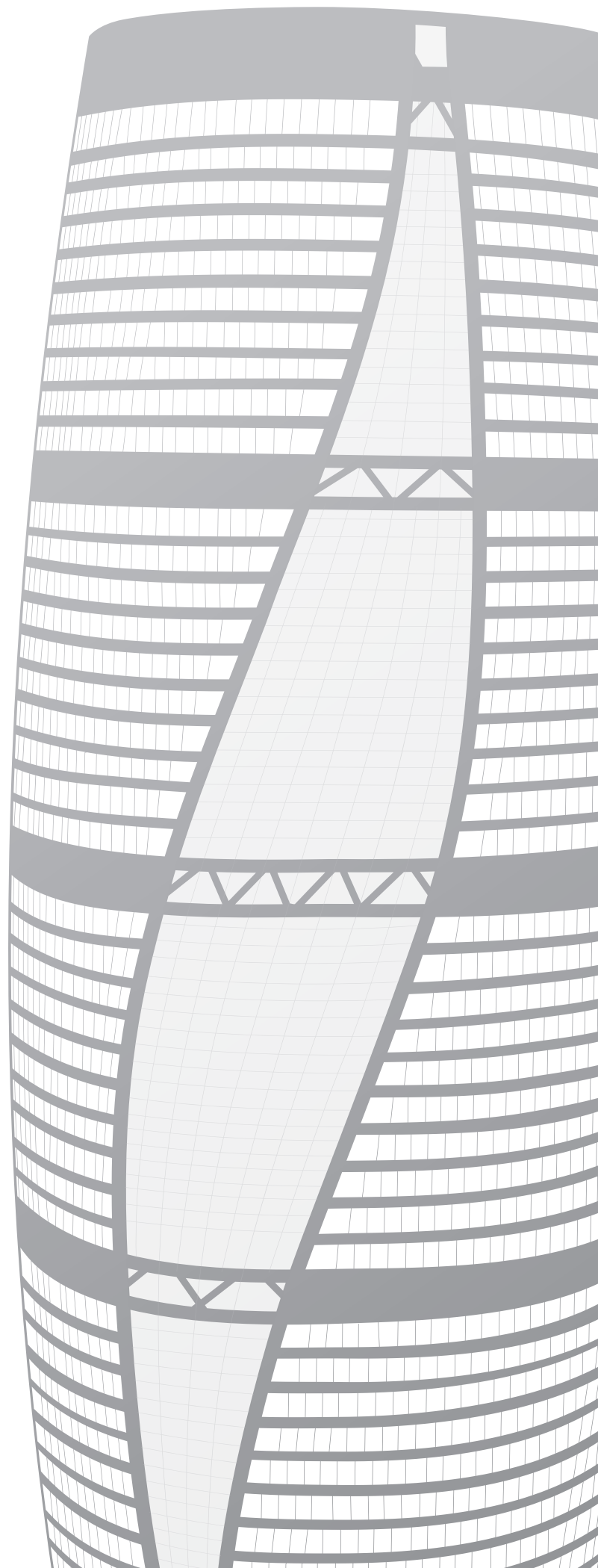


SOHO  CHINA
Stock Code: 410

SOHO CHINA LIMITED

INTERIM REPORT

2024



SOHO CHINA

The board (the “Board”) of directors (the “Directors”) of SOHO China Limited (the “Company” or “SOHO China” or “we”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “Period” or “1H2024”), together with the comparative figures for the six months ended 30 June 2023.



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BUSINESS REVIEW AND MARKET OUTLOOK

MARKET REVIEW AND OUTLOOK

In the first half of 2024, China's economy demonstrated a resilient recovery in the wake of a complex external environment. Driven by a series of macro-policies designed to stimulate domestic demand and invigorate the consumer market, domestic economic development has stabilized, demand continues to recover, and the quality of economic development continues to improve. The real estate policy environment continues to be relaxed with a focus on stabilizing the market and destocking with the objective of easing overall pressure on the industry and accelerating the development of a new model for real estate industry.

Looking back at the office and commercial property leasing market in the first half of this year, in terms of supply, new supply has been slowed down, and the scale of supply and demand for commercial office has reached a low point compared to recent years. While, at the demand side, weak market demand has become the main factor holding back market recovery, with leasing demand mainly focused on relocation and lease renewal. The rental rates being a downward trajectory, although retail rental rates have slightly recovered, the increase is narrow. As such, the overall strategy is “price for volume” so as to keep market activity going.

Looking forward to the market in the second half of this year, the Cushman and Wakefield data analysis predicts Beijing and Shanghai Grade A office markets will see new supply of approximately 425,000 square meters and 709,000 square meters, respectively. With low market demand and a large amount of new supply entering the market, vacancy rates are going to rise and placing continuous pressure on the leasing market.

Facing market uncertainty and the numerous aforementioned challenges, SOHO China adheres its management on the principle of prudent operations that boosting cost control and risk management, embracing change with an open mind, responding to challenges with an innovative spirit, and continuing to fortify the brand by offering high-quality services.

In the first half of the year, SOHO China continued to deepen its collaborative relationship with customers by focusing on customer needs, accurately grasping market developments and working with clients to create business strategies and service plans that to meet emerging trends, and widely promoting the ability to deliver customized renovation services. SOHO China's Grade A properties are all located in the core bustling business districts of Beijing and Shanghai. In addition to the advantage of prime location, the Company's “worry-free move-in” model solves customer pain points and challenges.

The combination of professional management and top-level service provided by our property management team allows for a safe and comfortable office and living experience at each and every SOHO China projects. Quality service is the bridge connecting customer trust and brand value, laying a solid foundation to stabilize the Company's occupancy rate and operating cash flow.

This year, we responded to the requirements and calls of administrative authorities, took production safety as top priority of the Company's daily management, and strictly adhered to the bottom line of safety. In the past six months, SOHO China has established a safety management committee, improved the Company's safety management system, organized fire drills, strengthened on-site inspections and emergency response, and has improved the emergency response capabilities of each employee through education, training and examinations, and contributing to the protection of public safety.

At the same time, SOHO China continues to promote the three aspects of environmental, social and governance ("ESG") and is committed to building a sustainable enterprise. In terms of environmental, the total energy consumption of the Group's 24 property projects under management saved 37.14 million kWh compared with the national standard, with an energy saving rate of 20%, and a carbon emission reduction of 31,000 tonnes. In terms of social, the Company continues to build a sustainable development ecosystem with value driving as the core, and establish long-term and mutually beneficial partnerships with customers, suppliers, and surrounding communities. Meanwhile, in terms of corporate governance, the Company has continuously improved management its sustainable development management by optimizing ESG governance structure and various rules and regulations.

In March 2024, SOHO China released its first 2023 Climate Action Report, taking a key step towards green and low-carbon transformation. In June 2024, the scientific carbon target submitted by SOHO China was officially approved by the Science-Based Targets Initiative (SBTi), which is consistent with the Paris Agreement's global emission reduction target of 1.5°C temperature rise control, helping the global transition to "net zero".

Looking forward to the second half of 2024, as macroeconomic policies continue to increase domestic demand and promote consumption, China's economy is expected to enter a more stable recovery track. In particular, the continuous optimization of the business environment of the service industry may take the lead in driving recovery of the commercial real estate market, especially in large cities and promoting the transformation of the commercial real estate industry to a higher quality and more sustainable development models.

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 1H2024 (RMB'000)	Occupancy Rate ² as at 30 June 2024	Occupancy Rate ² as at 31 December 2023
Beijing				
Qianmen Avenue Project	51,889	48,118	63%	67%
Wangjing SOHO	149,172	99,084	57%	60%
Guanghualu SOHO II	94,279	96,346	83%	85%
Leeza SOHO	135,637	87,491	89%	88%
Galaxy and Chaoyangmen SOHO	46,293	23,379	54%	56%
Shanghai				
SOHO Fuxing Plaza	88,234	111,129	85%	87%
Bund SOHO	72,006	93,903	80%	84%
SOHO Tianshan Plaza	97,751	85,205	79%	79%
Gubei SOHO	112,541	120,691	91%	89%

Notes: 1. The leasable GFA (gross floor area) attributable to the Group as at 30 June 2024.

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 central Beijing. The project comprises three towers (Towers 1, 2 and 3), among which Towers 1 and 2 were mostly sold in 2014.

The Group holds Wangjing SOHO Tower 3 and some 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 94,279 sq.m., including approximately 63,308 sq.m. of office area and approximately 30,971 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 and within one of the largest “Hutong” (traditional Beijing courtyards) conservation areas in Beijing. The total leasable GFA is approximately 51,889 sq.m. of retail area as at the end of the Period. The Group has been working towards its goal of developing Qianmen Avenue into a premier tourist destination. Leveraging on its massive visitor traffic, the Group aims to continue attracting and retaining 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 site is to the south of Lize Road, less than one kilometer away from the West Second Ring Road, and is already connected to subway line 14 to date and is adjacent to the planned subway lines 11 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 158,434 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 46,344 sq.m. is for office use and approximately 41,890 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 97,751 sq.m., including approximately 74,498 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 operations 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 112,541 sq.m.. The project was completed in January 2019.



MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Revenue

The Group achieved revenue income of approximately RMB799 million in the Period, representing a decrease of approximately 2.70% as compared with approximately RMB822 million in the same period of 2023. The decrease in revenue income was mainly due to weak market demand in the office and retail property leasing markets.

Profitability

Gross profit for the Period was approximately RMB648 million, representing a decrease of approximately 4.39% as compared with approximately RMB678 million in the same period of 2023.

Gross profit margin of property leasing was approximately 82% for the Period, as compared with approximately 83% in the same period of 2023.

Cost control

Selling expenses for the Period were approximately RMB20 million, as compared with approximately RMB10 million in the same period of 2023. Administrative expenses for the Period were approximately RMB50 million, as compared with approximately RMB66 million in the same period of 2023.

Finance income and expenses

Finance income for the Period was approximately RMB2.5 million, as compared with approximately RMB2.4 million in the same period of 2023.

Finance expenses for the Period were approximately RMB367 million, representing a decrease of approximately RMB20 million as compared with approximately RMB387 million in the same period of 2023, mainly due to the lower average borrowing balance during the Period.

Income tax expense

Income tax expense for the Period was approximately RMB125 million, representing an increase of approximately RMB34 million as compared with approximately RMB91 million in the same period of 2023.

Bank borrowings, other borrowings and collaterals

As at 30 June 2024, total borrowings of the Group were approximately RMB15,691 million, of which approximately RMB7,749 million were due within one year, approximately RMB7,942 million were due over one year. As at 30 June 2024, borrowings of the Group of approximately RMB15,691 million were collateralized by the Group's investment properties.

As at 30 June 2024, net gearing ratio was approximately 41% (31 December 2023: approximately 41%), calculated based on net debt (total borrowings minus cash and cash equivalents and restricted bank deposits) over equity attributable to owners of the Company.

Risks of foreign exchange fluctuation and interest rate

As at 30 June 2024, offshore borrowings were approximately RMB343 million, accounting for approximately 2.2% of total borrowings of the Group (31 December 2023: offshore borrowings were approximately RMB358 million, accounting for approximately 2.3% of total borrowings of the Group). The Company's average funding cost remained stable at approximately 4.5% as at 30 June 2024 (31 December 2023: approximately 4.7%). 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. As at 30 June 2024, the total amount of the mortgage loans guaranteed by the Group relating to such agreements was approximately RMB7 million (31 December 2023: approximately RMB8 million).

Capital commitment

As at 30 June 2024, the Group's total capital commitment was approximately RMB2 million (31 December 2023: approximately RMB2 million).

Employees and remuneration policy

As at 30 June 2024, the Group had 1,635 employees, including 1,479 employees for the property management operations

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

OTHER INFORMATION

PRINCIPAL ACTIVITIES

The principal activities of the Group are the provision of property leasing and related services, and real estate development in the PRC. 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 (2023 interim dividend: Nil).

SHARE CAPITAL

As at 30 June 2024, the Company had 5,199,524,031 shares in issue (31 December 2023: 5,199,524,031 shares).

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

As at 30 June 2024, the interests and short positions of the Directors and the chief executive 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 Governing the Listing of Securities (the "Listing rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to be notified to the Company and the Stock Exchange, are 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 long position in shares or underlying shares.

(2) Mr. Pan Shiyi had deemed interests in 3,324,100,000 shares held by his spouse, Mrs. Pan Zhang Xin Marita as mentioned in Note (3) below. According to the DI 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. 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 shares in 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 Co., Ltd.	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 2024, none of the Directors or chief executive 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 are 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.

OTHER INFORMATION

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

As at 30 June 2024, 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 executive 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 ordinary 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 long position in shares or underlying shares.
- (2) Cititrust Private Trust (Cayman) Limited (in its capacity as trustee of the Trust) is the legal owner of 100% of the shares in 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. Accordingly, Cititrust Private Trust (Cayman) Limited is deemed to be interested in the 3,324,100,000 shares held by Boyce Limited and Capevale BVI via its interest in Capevale Cayman under the Trust for the benefit of the beneficiaries, 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 2024, there was no other person who had interest or short position in the shares or underlying shares of the Company which were required, pursuant to section 336 of the SFO, to be recorded into the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OF THE COMPANY

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As at 30 June 2024, there are no treasury shares held by the Company.

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities (including sale of treasury shares) 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 MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 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.

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 C1 to the Listing Rules during 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 budgets, 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 casual vacancy on the Board or for new addition 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.

OTHER INFORMATION

The executive Director, Mr. Pan Shiyi, is the husband of Mrs. Pan Zhang Xin Marita who is an executive Director. 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. Of the three independent non-executive Directors appointed, at least one or more are equipped with financial expertise and the number of independent non-executive Directors represented 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 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 2024, the Board comprised seven Directors, including four executive Directors, namely Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Xu Jin (Chairman and Co-CEO) and Mr. Qian Ting (Co-CEO); and three independent non-executive Directors, namely Mr. Huang Jingsheng, Mr. Xiong Ming Hua and Mr. Zhang Mingeng. Details of the composition of the audit committee, the remuneration committee, the nomination committee and the ESG committee of the Company as at 30 June 2024 and the date of this report 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 2024 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 2024 of the Company and considered that the Company had complied with all applicable accounting standards and requirements and had made adequate disclosure.

The unaudited condensed consolidated interim results for the six months ended 30 June 2024 were approved by the Board on 22 August 2024.

By order of the Board
SOHO China Limited
Xu Jin
Chairman

Hong Kong, 22 August 2024

CORPORATE INFORMATION

Executive Directors	Pan Shiyi Pan Zhang Xin Marita Xu Jin (<i>Chairman and Co-CEO</i>) Qian Ting (<i>Co-CEO</i>)
Independent Non-executive Directors	Huang Jingsheng Xiong MingHua Zhang Mingeng
Company Secretary	Ng Sau Mei
Members of the Audit Committee	Huang Jingsheng (<i>Chairman</i>) Xiong MingHua Zhang Mingeng
Members of the Remuneration Committee	Huang Jingsheng (<i>Chairman</i>) Pan Shiyi Xiong MingHua Zhang Mingeng
Members of the Nomination Committee	Huang Jingsheng (<i>Chairman</i>) Pan Shiyi Xiong MingHua
Members of the ESG Committee	Huang Jingsheng (<i>Chairman</i>) Pan Shiyi Pan Zhang Xin Marita
Authorized Representatives	Pan Zhang Xin Marita Ng Sau Mei
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Corporate Headquarters	11/F, Tower A Chaowai SOHO 6B Chaowai Street Chaoyang District Beijing 100020 China

CORPORATE INFORMATION

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 Advisors	Stephenson Harwood 43/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Auditors	PricewaterhouseCoopers Certified Public Accountants Registered Public Interest Entity Auditor 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 China Merchants Bank Industrial and Commercial Bank of China Standard Chartered Bank (Hong Kong) The Hong Kong 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 23 to 48, 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 2024 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 selected 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” issued by the Hong Kong Institute of Certified Public Accountants. 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”.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Emphasis of Matter

We draw attention to Note 2 to the interim condensed consolidated financial information which indicates that as at 30 June 2024, the Group's current liabilities exceeded its current assets by RMB9,923,293,000. At the same date, the Group's total bank and other borrowings amounted to RMB15,690,992,000 (including the current portion of RMB7,748,564,000). As at 30 June 2024, the Group had unrestricted cash and cash equivalents amounted to RMB768,140,000. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 August 2024

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	6	799,362	821,503
Cost of sales		(150,944)	(143,289)
Gross profit		648,418	678,214
Fair value changes on investment properties	11	(88,086)	(48,997)
Other income and gains	7	182,879	226,926
Selling expenses		(19,615)	(10,468)
Administrative expenses		(49,530)	(66,038)
Other operating expenses		(293,734)	(289,417)
Operating profit		380,332	490,220
Finance income	8	2,527	2,479
Finance expenses	8	(367,366)	(386,724)
Profit before income tax		15,493	105,975
Income tax expense	9	(124,662)	(91,275)
(Loss)/profit for the period		(109,169)	14,700
(Loss)/profit attributable to:			
- Owners of the Company		(107,546)	13,613
- Non-controlling interests		(1,623)	1,087
(Loss)/profit for the period		(109,169)	14,700
(Loss)/earnings per share (RMB per share)	10		
Basic (loss)/earnings per share		(0.02)	0.00
Diluted (loss)/earnings per share		(0.02)	0.00

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit for the period	(109,169)	14,700
Other comprehensive (loss)/income :		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	2,292	10,176
<i>Items that will not be reclassified to profit or loss</i>		
Currency translation differences	(16,639)	8,162
Other comprehensive (loss)/income for the period, net of tax	(14,347)	18,338
Total comprehensive (loss)/income for the period	(123,516)	33,038
Total comprehensive (loss)/income for the period attributable to:		
- Owners of the Company	(122,052)	31,013
- Non-controlling interests	(1,464)	2,025
	(123,516)	33,038

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
ASSETS			
Non-current assets			
Investment properties	11	63,137,300	63,421,300
Property and equipment		922,499	940,876
Intangible assets		-	16
Deferred tax assets		778,912	831,264
Trade and other receivables	13	68,743	68,743
Investment in other financial assets		266,300	274,090
Total non-current assets		65,173,754	65,536,289
Current assets			
Completed properties held for sale	12	1,608,086	1,610,444
Prepayments		105,184	105,504
Trade and other receivables	13	509,190	535,782
Restricted bank deposits		27,247	60,076
Cash and cash equivalents		768,140	769,461
Total current assets		3,017,847	3,081,267
Total assets		68,191,601	68,617,556
EQUITY			
Equity attributable to owners of the Company	14		
Share capital		106,112	106,112
Other reserves		36,038,707	36,160,759
		36,144,819	36,266,871
Non-controlling interests		926,689	928,153
Total equity		37,071,508	37,195,024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	15	7,942,428	10,707,093
Long-term deposits		303,948	308,821
Deferred tax liabilities		9,932,577	9,955,083
Total non-current liabilities		18,178,953	20,970,997
Current liabilities			
Bank and other borrowings	15	7,748,564	5,177,875
Receipts in advance		483,363	609,658
Trade and other payables	16	3,038,531	2,973,786
Current income tax liabilities		1,670,682	1,690,216
Total current liabilities		12,941,140	10,451,535
Total liabilities		31,120,093	31,422,532
Total equity and liabilities		68,191,601	68,617,556

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	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	RMB'000	
Balance at 1 January 2024	106,112	1,596	(1,634,467)	1,010,490	36,783,140	36,266,871	928,153	37,195,024	
Loss for the period	-	-	-	-	(107,546)	(107,546)	(1,623)	(109,169)	
Other comprehensive (loss)/income	-	-	(14,506)	-	-	(14,506)	159	(14,347)	
Total comprehensive (loss)/income for the period	-	-	(14,506)	-	(107,546)	(122,052)	(1,464)	(123,516)	
Balance at 30 June 2024	106,112	1,596	(1,648,973)	1,010,490	36,675,594	36,144,819	926,689	37,071,508	

	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	RMB'000	
Balance at 1 January 2023	106,112	1,596	(1,640,618)	1,010,490	36,963,039	36,440,619	927,902	37,368,521	
Profit for the period	-	-	-	-	13,613	13,613	1,087	14,700	
Other comprehensive income	-	-	17,400	-	-	17,400	938	18,338	
Total comprehensive income for the period	-	-	17,400	-	13,613	31,013	2,025	33,038	
Balance at 30 June 2023	106,112	1,596	(1,623,218)	1,010,490	36,976,652	36,471,632	929,927	37,401,559	

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Proceeds from rendering of services	958,314	1,143,098
Proceeds from sales of properties	3,663	2,195
Refund of taxes and surcharges	171	300
Interest received	2,527	2,479
Cash received relating to other operating activities	56,788	63,277
Cash paid for properties and services	(123,789)	(114,588)
Cash paid to and on behalf of employees	(80,071)	(93,081)
Payments of taxes and surcharges	(186,109)	(169,879)
Income tax paid	(124,542)	(54,659)
Interest paid	(377,390)	(387,018)
Cash paid relating to other operating activities	(19,676)	(57,901)
Net cash inflow from operating activities	109,886	334,223
Cash flows from investing activities		
Payment for development costs and purchase of investment properties	(10,959)	(16,191)
Purchases of property and equipment	(544)	(675)
Proceeds from disposal of investment properties	84,210	99,555
Decrease in structured bank deposits	-	10,968
Investment income from financial assets	643	547
Proceeds from disposal of property and equipment	1,329	342
Net cash inflow from investing activities	74,679	94,546
Cash flows from financing activities		
Repayment of bank and other borrowings	(186,031)	(148,276)
Net cash outflow from financing activities	(186,031)	(148,276)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Net (decrease)/increase cash and cash equivalents	(1,466)	280,493
Cash and cash equivalents at the beginning of the period	769,461	345,725
Effects of foreign exchange rate changes on cash and cash equivalents	145	1,034
Cash and cash equivalents at end of the period	768,140	627,252

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 General information

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

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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

The interim condensed consolidated financial information is presented in Renminbi (“RMB”), unless otherwise stated. The interim condensed consolidated financial information was approved for issue by the board (the “Board”) of directors (the “Directors”) on 22 August 2024.

2 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

As of 30 June 2024, the Group’s current liabilities exceeded its current assets by RMB9,923,293,000. As at 30 June 2024, the Group’s total bank and other borrowings amounted to RMB15,690,992,000 (including the current portion of RMB7,748,564,000 as disclosed in Note 15). These borrowings were collateralized by the Group’s investment properties recorded at a total carrying amount of RMB53,891,775,000. As at 30 June 2024, the Group had unrestricted cash and cash equivalents amounted to RMB768,140,000.

Beijing Wangjing SOHO Real Estate Co., Ltd. (“Beijing Wangjing”), a subsidiary of the Company, received a notice from a local tax authority in August 2022 demanding payment by 1 September 2022 of RMB1,733,334,000 for land appreciation tax (“LAT”) relating to Towers 1 and 2 of the Wangjing SOHO project developed by Beijing Wangjing. Surcharges would be imposed at 0.05 percent per day on the outstanding LAT should payment not be made by the due date. As at 30 June 2024, RMB144,600,000 of the LAT demanded had been paid and the remaining balance of the LAT, together with surcharges totalling RMB2,169,813,000, were outstanding.

2 Basis of preparation (continued)

The late payment of LAT triggered cross-defaults of certain bank borrowings of the Group amounting to RMB4,187,351,000 as at 30 June 2024 (the “Cross-Defaulted Borrowings”). The Cross-Defaulted Borrowings with a total principal amount of RMB4,174,000,000 and interest of RMB13,351,000 including those with original contractual repayment dates beyond 30 June 2025, were reclassified as current liabilities as at 30 June 2024 as they are due upon demand if requested by the respective lenders.

Furthermore, in accordance with the Law on the Administration of Tax Collection, the local tax authority might impose other enforcement measures, including but not limited to detention, seizure and sale of the related properties as well as imposing penalties, which would be charged between 50% and 5 times of the outstanding LAT, due to the late payment of LAT.

The above conditions indicate the existence of material uncertainties which cast significant doubt regarding the Group’s ability to continue as a going concern. In view of such circumstances, management of the Company has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been or will be taken by management to mitigate the Group’s liquidity pressure and to improve its cashflows which include, but are not limited to, the following:

- (a) the Group has been in continuous communications with the local tax authority on the outstanding LAT and surcharges and agreed with them a detailed settlement plan. The Group continued to dispose of certain of its commercial properties to settle a portion of the unpaid LAT. As at 30 June 2024, with the proceeds from the disposal of certain commercial properties, RMB144,60,000 of the LAT has been settled with a further payment of RMB2,000,000 post 30 June 2024 to the date of approval of this interim condensed consolidated financial information.

The Group will continue to communicate with the local tax authority and take measures to dispose of further commercial properties in order to settle the outstanding LAT to mitigate any further potential negative impact due to late payment;

2 Basis of preparation (continued)

- (b) the Group has been in active discussion and will continue its negotiation with certain of its lenders, including those of the Cross-Defaulted bank borrowings, to revise the repayment instalment amounts of the Group's existing borrowings in order to repay these instalment payments when they fall due. Subsequent to 30 June 2024, the Group has further entered into a supplemental agreement with a bank to revise the repayment instalment amounts of a bank borrowing with a principal amount of RMB1,910,000,000. The Group will continue to communicate with the lenders of the Cross-Defaulted Borrowings not to take any actions against the Group that will require immediate payment of the principals and interest of these borrowings. Based on latest communications with the lenders of the Cross-Defaulted bank borrowings, there is no indication that these lenders have any current intention to take action against the Group to demand immediate payment; and
- (c) the Group will continue to take proactive measures to improve operating cash flow by steadily improving the property leasing business and controlling administrative costs and containing capital expenditure.

The Directors have reviewed the Group's cash flow projections prepared by management (the "Cash Flow Projections"), which cover a period of not less than twelve months from 30 June 2024. The Directors are of the opinion that, considering the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether management will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- (a) whether the local tax authority will demand immediate payment of the outstanding LAT and related surcharges before the Group is able to secure sufficient funding to do so; as well as it will take any further actions against the Group including detention, seizure and sale of the Group's properties or imposing penalties;
- (b) whether the lenders of the bank and other borrowings, including those of the Cross-Defaulted bank borrowings, will call for repayment ahead of the stipulated repayment dates as a result of any developments of the LAT or other matters;
- (c) successfully and timely reaching agreements with certain banks to restructure bank borrowings, or securing new financing; and
- (d) the Group's ability to steadily improve the property leasing business and generate operating cash flows to meet the Group's ongoing funding needs as well as successfully controlling administrative costs and capital expenditure.

2 Basis of preparation (continued)

Should the Group be unable to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial information.

This interim condensed consolidated financial information contains condensed consolidated financial information 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 annual consolidated financial statements for the year ended 31 December 2023 (the "2023 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 Hong Kong Financial Reporting Standards ("HKFRSs"). Accordingly, this interim condensed consolidated financial information is to be read in conjunction with the 2023 annual financial statements and any public announcements made by the Company during the interim reporting period.

The interim condensed consolidated financial information 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 2023 annual financial statements and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

3(a) Amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to HKAS 1;
- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – HK Int 5 (Revised);
- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7; and
- Lease liability in sale and leaseback – Amendments to HKFRS 16.

3 Accounting policies (continued)

3(a) Amended standards adopted by the Group (continued)

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

The amended standards listed above did not have any significant impact on the Group’s results for the six months ended 30 June 2024 and the Group’s financial position as at 30 June 2024. Except for the adoption of the amendments to HKAS1 as mentioned above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3(b) New and amended standards not yet adopted by the Group

A number of new and amended standards have been issued but are not mandatory for annual reporting periods ending on 31 December 2024 and have not been adopted by the Group. These new and amended standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 Estimates

The preparation of interim 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 expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

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 cash flow 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 2023.

There have been no significant changes in any risk management policies since 31 December 2023.

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 mortgages, the guarantees will be released when the property title deeds are pledged to banks as security for the respective mortgage loans, which generally take place within one year after the property units are delivered to the buyers. If a buyer defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the buyer's deposit and resell the property to recover any amounts paid by the Group to the bank. In this regard, the Directors consider that the Group's credit risk associated with these financial guarantees are immaterial. The total amount of mortgages outstanding which are guaranteed by the Company's subsidiaries was RMB6,939,000 as at 30 June 2024 (as at 31 December 2023: RMB7,724,000).

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
- Restricted bank deposits
- Bank and other borrowings
- Trade and other payables excluding tax payables, payroll and welfare payables and late payment fees
- Long-term deposits

5 Financial risk management and financial instruments (continued)

5(c) Fair value estimation

The table below analyzes the Group's assets and liabilities 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 2024.

	As at 30 June 2024 (Unaudited)			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investment properties	-	-	63,137,300	63,137,300
Property and equipment				
- office premises	-	-	388,844	388,844
Financial assets at fair value through profit or loss				
- investment in other financial assets	-	-	266,300	266,300
Total assets	-	-	63,792,444	63,792,444

The following table presents the Group's assets and liabilities measured and recognized at fair value as at 31 December 2023.

	As at 31 December 2023 (Audited)			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Investment properties	-	-	63,421,300	63,421,300
Property and equipment				
- office premises	-	-	396,130	396,130
Financial assets at fair value through profit or loss				
- investment in other financial assets	-	-	274,090	274,090
Total assets	-	-	64,091,520	64,091,520

5 Financial risk management and financial instruments (continued)

5(c) Fair value estimation (continued)

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 2024 (six months ended 30 June 2023: 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(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 2024 (audited)	63,421,300	396,130	274,090	64,091,520
Loss on financial assets at fair value through profit or loss	-	-	(10,082)	(10,082)
Fair value changes recognized in profit or loss	(88,086)	-	-	(88,086)
Depreciation	-	(7,286)	-	(7,286)
Disposals	(195,914)	-	-	(195,914)
Currency translation differences	-	-	2,292	2,292
Closing balance at 30 June 2024 (unaudited)	63,137,300	388,844	266,300	63,792,444

5 Financial risk management and financial instruments (continued)

5(e) Group's valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets, investment properties and property and equipment which valued at fair value required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (the "CFO") and the Audit Committee (the "AC"). Discussions of valuation processes and results are held among the CFO, the AC and the valuation team at least once every six months.

The fair value measurement of investment properties was included in Note 11.

Office premises were valued using the same valuation process, valuation techniques and significant inputs as those used for valuation of investment properties.

The fair value of investment in other financial assets are based on the reported net asset value ("NAV") in their financial statements. Management has obtained the most recent financial statements that are available from investees and considered various factors when assessing whether the reported NAV represents the fair value of the investment. These factors include the accounting policies adopted by the investees, the restrictions and barriers preventing the Group from disposing the investment, the Group's ownership percentage over the investee and other relevant factors. Fair value will be adjusted when such factors suggest the reported NAV does not represent its fair value. The Directors believed that the fair value resulting from the reported NAV, which is recorded in the interim condensed consolidated statement of financial position, and the related change in fair value, which is recorded in interim condensed consolidated income statement, are reasonable, and that it is the most appropriate value at the end of the reporting period.

6 Revenue and segment reporting

6(a) Revenue

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

	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Rental income		796,017	819,127
Sale of property units	(i)	3,345	2,376
		799,362	821,503

- (i) During the six months ended 30 June 2024, revenue from sale of property units was recognized at a point in time.
- (ii) No single customer contributed 10% or more of the Group's revenue during the six months ended 30 June 2024.

6(b) Segment reporting

The management of the Group 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 and property leasing business as an integrate part, and allocates resources on the same basis. As such, the Group has only one operating segment.

The major operating entity of the Group is domiciled in the PRC, all of the Group's revenue were derived in the PRC during the Period. As at 30 June 2024 and 31 December 2023, all of the Group's non-current assets, other than financial instruments and deferred income tax assets, were located in the PRC.

7 Other income and gains

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Property management service income	143,330	154,213
Hotel operations income	28,946	32,697
Forfeited customer deposits	19,138	15,151
Government grants	983	7,606
(Loss)/gains on financial assets at fair value through profit or loss	(10,082)	5,046
Others	564	12,213
	182,879	226,926

8 Finance income and finance expenses

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Finance income		
Interest income	2,527	2,479
Finance expenses		
Interest expenses on bank and other borrowings	367,002	386,418
Net foreign exchange losses	6	31
Bank charges and others	358	275
	367,366	386,724

9 Income tax expense

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
- PRC corporate income tax	51,910	27,391
- PRC LAT	42,906	5,378
Deferred income tax	29,846	58,506
	124,662	91,275

Current income tax includes PRC corporate income tax and PRC LAT.

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 2023: 25%).

In accordance with the Provisional Regulations on Land Appreciation Tax of the PRC, 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 (Loss)/earnings per share, basic and diluted

The calculation of basic and diluted (loss)/earnings per share is based on the loss attributable to owners of the Company for the six months ended 30 June 2024 of RMB107,546,000 (six months ended 30 June 2023: based on the profit attributable to owners of the Company of RMB13,613,000) and the weighted average number of 5,199,524,031 ordinary shares (six months ended 30 June 2023: 5,199,524,031) 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	
	2024 RMB'000	2023 RMB'000
Opening balance	63,421,300	63,785,300
Disposal of investment properties	(195,914)	(93,804)
Fair value changes recognized in loss	(88,086)	(48,997)
Others	-	6,051
Closing balance	63,137,300	63,648,550

The Group's investment properties were valued at 30 June 2024 by the independent professionally qualified valuer, Hong Kong Appraisal Advisory Ltd., 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 AC.

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 AC.

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

12 Completed properties held for sale

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Completed properties held for sale	1,608,086	1,610,444

Completed properties held for sale mainly includes commercial properties which are all located in the PRC. No impairment provision was recognised during the six months ended 30 June 2024 and 2023, respectively.

13 Trade and other receivables

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Non-current - Other receivables		68,743	68,743
Current - Trade receivables	<i>(a)</i>	399,469	421,637
Less: allowance for impairment of trade receivables		(43,747)	(46,667)
Trade receivables - net		355,722	374,970
Amounts due from related parties	<i>18(a)</i>	24,740	24,740
Amounts due from non-controlling interest		46,493	46,493
Other receivables		195,860	199,949
Less: allowance for impairment of other receivables		(113,625)	(110,370)
Other receivables - net		153,468	160,812
Total of current portion		509,190	535,782

The carrying amounts of trade and other receivables approximate their respective fair values as at 30 June 2024 and 31 December 2023.

13 Trade and other receivables (continued)

(a) Aging analysis

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

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Current	325,002	341,893
Less than 1 month past due	10,687	15,567
1 to 6 months past due	10,244	10,053
6 months to 1 year past due	1,649	7,579
More than 1 year past due	51,887	46,545
Amounts past due	74,467	79,744
	399,469	421,637

14 Capital, reserves and dividends

14(a) Dividends

The Board resolved not to declare an interim dividend for the Period (2023 interim dividend: nil).

14(b) Share capital

	No. of ordinary shares Share'000	Share capital RMB'000
Authorized:		
At 1 January 2023 and 2024, 30 June 2023 and 2024, HKD0.02 per share	7,500,000	-
Issued and fully paid:		
As at 1 January 2023 and 2024	5,199,524	106,112
As at 30 June 2023 and 2024	5,199,524	106,112

15 Bank and other borrowings

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Current	7,748,564	5,177,875
Non-current	7,942,428	10,707,093
	15,690,992	15,884,968

(a) Movements in principals of borrowings are analyzed as follows:

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At beginning of the period	15,796,210	16,108,048
Repayment of borrowings	(186,031)	(148,276)
Exchange rate effect	2,442	11,241
At end of the period	15,612,621	15,971,013

As at 30 June 2024, borrowings amounting to RMB15,690,992,000 (31 December 2023: RMB15,884,968,000) were secured by the Group's certain investment properties and/or shares of certain subsidiaries established in the PRC.

(b) Compliance with loan covenants

As mentioned in Note 2 of the interim condensed consolidated financial information, the late payment of LAT triggered cross-defaults of certain bank borrowings of the Group amounting to RMB4,187,351,000 as at 30 June 2024. The Cross-Defaulted Borrowings with a total principal amount of RMB4,174,00,000 and interest of RMB13,351,000, including those with original contractual repayment dates beyond 30 June 2025, were reclassified as current liabilities as at 30 June 2024 as they are due upon demand if requested by the respective lenders.

16 Trade and other payables

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Trade payables	<i>(a)</i>	903,077	911,636
Amounts due to related parties	<i>18(a)</i>	812,732	812,732
Late payment fees		581,079	436,481
Rental deposits		224,654	222,540
Other taxes payable		82,571	89,727
Deposits of sales of properties		8,199	11,058
Payroll and welfare payables		7,637	9,740
Others		418,582	479,872
		3,038,531	2,973,786

The carrying amounts of trade and other payables approximate their respective fair values as at 30 June 2024 and 31 December 2023.

(a) The aging analysis of trade payables based on due date is as follows:

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Due within 1 month or on demand	903,077	911,636

17 Commitments

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

	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Commitments of investments	2,313	2,299

As at 30 June 2024, the commitments are denominated in USD324,606 (31 December 2023: USD324,606), equivalent amounting to RMB2,313,000 (31 December 2023: RMB2,299,000).

18 Material related party transactions

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

18(a) Transactions with other related parties

The balance of transactions with related parties is as follows:

	<i>Note</i>	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Amount due from related parties			
SOHO China Foundation	<i>(i)</i>	24,740	24,740
Amounts due to related parties			
INESA (Group) Co., Ltd. ("INESA")	<i>(ii)</i>	406,366	406,366
Shanghai Rural Commercial Bank	<i>(ii)</i>	406,366	406,366
		812,732	812,732

- (i) In 2020, SOHO China Foundation, a charity organization set up by Mr. Pan Shiyi and Mrs. Pan Zhang Xin Marita in 2005, founded a bilingual kindergarten in China's northwest region. The balances as at 30 June 2024 represented the payments on behalf of RMB24,740,000 (31 December 2023: RMB24,740,000) from two subsidiaries of the Company to SOHO China Foundation for the purpose of the construction work.

18 Material related party transactions (continued)

18(a) Transactions with other related parties (continued)

- (ii) The balances as at 30 June 2024 mainly represented the advances of RMB812,732,000 (31 December 2023: RMB812,732,000) from INESA and Shanghai Rural Commercial Bank, the non-controlling equity holders of a subsidiary, Shanghai Ding Ding Real Estate Development Co., Ltd., which were interest-free, unsecured and had no fixed term of repayment.

The following transaction occurred with related party:

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Donation to SOHO China Foundation	-	16,000

18(b) Key management personnel remuneration

	Unaudited Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Short-term employee benefits	6,611	8,281
Post-employment benefits	106	259
	6,717	8,540

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