SOHO CHINA LIMITED
SOHO中國有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 410)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

- Achieved a turnover of the Group of approximately RMB995 million and a gross profit of approximately RMB734 million, with a gross profit margin of approximately 74%.

- Achieved rental income of the Group of approximately RMB1,052 million, representing an increase of approximately 148% compared to that of 2014. The increase of rental income is mainly due to the higher average occupancy rate of the Wangjing SOHO Tower 3, SOHO Fuxing Plaza, Sky SOHO and Guanghualu SOHO II compared with the same period of last year and the contribution from newly completed Hongkou SOHO and Bund SOHO during the year.

- Achieved net profit attributable to equity shareholders of the Company of approximately RMB538 million, and core net profit attributable to equity shareholders of the Company (excluding net valuation gains on investment properties) of approximately RMB423 million. Core net profit margin is approximately 42%.

- As of 31 December 2015, the Group had total cash and bank deposits of approximately RMB9,012 million. Ratio of net debt to total equity of the Company was approximately 24%.

- The Board recommended the declaration and payment of a special dividend of RMB0.348 per share.

The board (the "Board") of directors (the "Director(s)") of SOHO China Limited (the "Company", "We" or "SOHO China") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 (the "Year" or the "Period"), which had been prepared in accordance with the Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants and the relevant provisions of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The 2015 audited consolidated annual results of the Group had been reviewed by the audit committee of the Company and approved by the Board on 8 March 2016.

During the Period, the Group achieved a turnover of approximately RMB995 million, including approximately RMB1,052 million from property leasing, representing an increase of approximately 148% compared with the same period of 2014. The gross profit margin of the Group during the Year was approximately 74%. Net profit attributable to equity shareholders of the Company for the Period was approximately RMB538 million, representing a decrease of approximately 87% compared to the same period of 2014. Core net profit (excluding net valuation gains on investment properties) attributable to equity shareholders of the Company for the Period was approximately RMB423 million, which decreased by approximately 76% from 2014. The core net profit margin during the Period was approximately 42%.

In October 2015, the Board recommended the declaration and payment of a special dividend of RMB0.348 per share to the shareholders of the Company which has been approved by shareholders at the extraordinary general meeting of the Company held on 13 November 2015. The Board recommended the declaration and payment of a special divided of RMB0.348 per share to the shareholders of the Company which is subject to shareholders' approval at the annual general meeting of the company to be held on Wednesday, 18 May 2016 (the "AGM").

Consolidated income statement
For the year ended 31 December 2015
(Expressed in Renminbi)

	Note	**2015**	2014
		RMB'000	*RMB'000*
Turnover		**995,165**	6,098,088
Cost of sales	4(c)	**(261,248)**	(3,019,934)
Gross profit		**733,917**	3,078,154
Valuation gains on investment properties		**204,053**	3,125,477
Other gains – net	4(b)	**1,238,003**	597,834
Other revenue and income		**408,462**	261,702
Selling expenses	4(c)	**(69,413)**	(199,703)
Administrative expenses	4(c)	**(250,859)**	(278,120)
Other operating expenses	4(c)	**(298,545)**	(273,971)
Profit from operations		**1,965,618**	6,311,373
Financial income	4(a)	**380,485**	707,742
Financial expenses	4(a)	**(926,911)**	(329,719)
Share of results of joint venture		**(11,724)**	–
Profit before taxation	4	**1,407,468**	6,689,396
Income tax	6	**(843,996)**	(2,537,935)
Profit for the year		**563,472**	4,151,461
Attributable to:			
Equity shareholders of the Company		**537,632**	4,079,831
Non-controlling interests		**25,840**	71,630
Profit for the year		**563,472**	4,151,461
Earnings per share (RMB per share)	7		
Basic		**0.104**	0.781
Diluted		**0.104**	0.780

Consolidated balance sheet
At 31 December 2015
(Expressed in Renminbi)

	Note	2015	2014
		RMB'000	*RMB'000*
Non-current assets			
Investment properties		**55,004,000**	52,875,060
Property and equipment		**843,691**	650,618
Bank deposits		**354,689**	39,485
Intangible assets		**8,063**	–
Interest in joint ventures		**11,026**	4,057,032
Deferred tax assets		**1,439,106**	1,441,063
Long-term receivables		**53,494**	24,755
		57,714,069	59,088,013
Current assets			
Properties under development and completed properties held for sale		**4,204,072**	3,982,897
Deposits and prepayments		**455,155**	633,569
Trade and other receivables	8	**801,209**	675,884
Bank deposits		**251,600**	377,008
Cash and cash equivalents		**8,405,967**	12,061,801
		14,118,003	17,731,159
Total assets		**71,832,072**	76,819,172
Equity and liabilities			
Equity attributable to owners of the Company	10		
Share capital		**106,112**	106,112
Reserves		**36,493,759**	39,257,039
Non-controlling interests		**1,122,657**	1,096,817
Total equity		**37,722,528**	40,459,968

Consolidated balance sheet (continued)
At 31 December 2015
(Expressed in Renminbi)

	Note	**2015**	2014
		RMB'000	*RMB'000*
Liabilities			
Non-current liabilities			
Bank loans		**14,345,757**	12,846,904
Senior notes		**1,614,493**	6,062,108
Contract retention payables		**135,346**	178,603
Deferred tax liabilities		**6,001,871**	5,750,771
Derivative financial instruments		**4,965**	4,018
		22,102,432	24,842,404
Current liabilities			
Bank loans		**1,921,483**	1,353,285
Rental and sales deposits		**320,222**	337,270
Trade and other payables	9	**4,578,666**	4,620,667
Taxation		**5,186,741**	5,205,578
		12,007,112	11,516,800
Total liabilities		**34,109,544**	36,359,204
Total equity and liabilities		**71,832,072**	76,819,172

Notes to the consolidated financial statements

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2015 comprise the Group and the Group's interests in joint ventures.

The functional currency of the Company is Hong Kong dollars ("HKD"). The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

– investment properties;

– office premises;

– financial assets at fair value through profit or loss; and

– derivative financial instruments.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements, and have no material impact on the Group:

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRSs – 2010–2012 Cycle, on HKFRS 8, 'Operating segments', HKAS 16, 'Property, plant and equipment' and HKAS 38, 'Intangible assets' and HKAS 24, 'Related party disclosures'.

Amendments from annual improvements to HKFRSs – 2011–2013 Cycle, on HKFRS 3, 'Business combinations', HKFRS 13, 'Fair value measurement' and HKAS 40, 'Investment property'.

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in the segment note. Other than that, the remaining amendments are not material to the Group.

3 SEGMENT REPORTING

(a) Segment reporting

The Group manages its businesses based on future development strategy of current projects, which are divided into properties development and properties investment. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Properties development

This segment includes projects which are held for sale.

(ii) Properties investment

This segment includes projects which are held for rental.

(b) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets and liabilities include all non-current assets and liabilities and current assets and liabilities with the exception of unallocated head office and corporate assets and liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments. Head office and corporate expenses are not allocated to individual segments.

Segment profit represents the profit after taxation generated by individual segments.

Management is provided with segment information concerning turnover, cost of properties sold, cost of rental business, gross profit, valuation gains on investment properties, net operating expenses, depreciation, impairment of trade and other receivable, financial income, financial expenses, income tax, investment properties, properties under development and completed properties held for sale, cash and cash equivalents, bank deposits, bank loans, and additions to investment properties and property and equipment.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Properties development		**Properties investment**		**Total**	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Income statement items						
Reportable segment revenue	**(57,333)**	5,674,440	**1,052,498**	423,648	**995,165**	6,098,088
Cost of properties sold/cost of rental business	**(6,267)**	(2,907,914)	**(254,981)**	(112,020)	**(261,248)**	(3,019,934)
Reportable segment gross (loss)/ profit	**(63,600)**	2,766,526	**797,517**	311,628	**733,917**	3,078,154
Valuation gains on Investment properties	**–**	–	**204,053**	3,125,477	**204,053**	3,125,477
Operating Income/(expenses), net	**100,398**	20,210	**63,944**	(30,981)	**164,342**	(10,771)
Depreciation	**(31,067)**	(31,495)	**(12,352)**	(347)	**(43,419)**	(31,842)
Impairment of trade and other receivable	**–**	(1,384)	**(20,278)**	–	**(20,278)**	(1,384)
Financial income	**74,291**	625,843	**233,149**	48,523	**307,440**	674,366
Financial expense	**(9,888)**	(61,747)	**(367,181)**	(78,469)	**(377,069)**	(140,216)
Reportable segment profit before taxation	**187,864**	2,969,649	**677,334**	3,320,483	**865,198**	6,290,132
Income tax	**(154,352)**	(1,546,563)	**(306,992)**	(966,682)	**(461,344)**	(2,513,245)
Reportable segment profit	**33,512**	1,423,086	**370,342**	2,353,801	**403,854**	3,776,887
Balance sheet items						
Investment properties	**–**	–	**55,004,000**	52,875,060	**55,004,000**	52,875,060
Properties under development and completed properties held for sale	**4,204,072**	3,982,897	**–**	–	**4,204,072**	3,982,897
Cash and cash equivalents	**53,924**	5,447,988	**4,622,257**	2,687,489	**4,676,181**	8,135,477
Bank deposits	**547,924**	384,695	**58,365**	31,798	**606,289**	416,493
Bank loans	**–**	–	**7,907,937**	5,919,703	**7,907,937**	5,919,703
Reportable segment assets	**19,285,189**	45,327,331	**83,519,676**	62,753,548	**102,804,865**	108,080,879
Reportable segment liabilities	**13,837,247**	26,532,761	**31,444,404**	24,516,871	**45,281,651**	51,049,632
Additions to investment properties and property and equipment	**5,827**	13,340	**2,360,030**	4,147,060	**2,365,857**	4,160,400

(c) Reconciliations of reportable segment profit or loss, assets and liabilities

	2015	2014
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	**403,854**	3,776,887
Unallocated head office and corporate profit	**159,618**	374,574
Consolidated profit	**563,472**	4,151,461
Income tax		
Reportable segment income tax	**(461,344)**	(2,513,245)
Unallocated head office and corporate income tax	**(382,652)**	(24,690)
Consolidated income tax	**(843,996)**	(2,537,935)
Bank deposits		
Reportable segment bank deposits	**606,289**	416,493
Consolidated bank deposits	**606,289**	416,493
Cash and cash equivalents		
Reportable segment cash and cash equivalents	**4,676,181**	8,135,477
Unallocated head office and corporate cash and cash equivalents	**3,729,786**	3,926,324
Consolidated cash and cash equivalents	**8,405,967**	12,061,801
Bank loans		
Reportable segment bank loans	**7,907,937**	5,919,703
Unallocated head office and corporate bank loans	**8,359,303**	8,280,486
Consolidated bank loans	**16,267,240**	14,200,189
Assets		
Reportable segment assets	**102,804,865**	108,080,879
Unallocated head office and corporate assets	**20,880,985**	29,196,880
Elimination of intra-group balances	**(51,853,778)**	(60,458,587)
Consolidated total assets	**71,832,072**	76,819,172
Liabilities		
Reportable segment liabilities	**45,281,651**	51,049,632
Unallocated head office and corporate liabilities	**40,664,322**	45,759,131
Elimination of intra-group balances	**(51,836,429)**	(60,449,559)
Consolidated total liabilities	**34,109,544**	36,359,204

The Company is incorporated in Cayman Islands, with most of its major subsidiaries domiciled in the PRC. All revenues from external customers of the Group are derived in the PRC for the years ended 31 December 2015 and 2014.

As at 31 December 2015, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB56,221,469,000 (2014: RMB57,622,195,000), the total of these non-current assets located in Hong Kong is RMB nil (2014: RMB nil).

For the year ended 31 December 2015 and 2014, the Group does not have any single customer with the transaction value over 10% of the total external sales.

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Financial income and financial expenses

	2015	2014
	RMB'000	*RMB'000*
Financial income		
Interest income	**380,485**	707,742
	380,485	707,742
Financial expenses		
Interest on bank loans	**783,874**	675,383
Interest expenses on the Senior Notes	**553,727**	397,208
Less: Interest expense capitalised into investment properties under development*	**(477,509)**	(812,038)
	860,092	260,553
Net foreign exchange losses	**36,550**	34,975
Net losses on settlement of financial assets at fair value through profit or loss: Held for trading	**21,377**	22,019
Bank charges and others	**8,892**	12,172
	926,911	329,719

* The borrowing costs were capitalized at a rate of 4.90%~6.58% per annum (2014: 4.91%~6.58%).

(b) Other gains – net

	Note	**2015**	2014
		RMB'000	*RMB'000*
Gains on disposal of subsidiaries		**114,728**	256,678
Gains on liquidation of subsidiaries	(i)	**72,323**	348,418
Gains on disposal of a joint venture	(ii)	**1,050,952**	–
Losses on disposal of investment properties		**–**	(7,262)
		1,238,003	597,834

(i) Certain subsidiaries were liquidated in the year of 2015, resulting in a net gain of RMB72,323,000 (2014: RMB348,418,000), which all came from the exchange gain reclassified from exchange reserve to profit or loss.

(ii) On 23 September 2015, the Company disposed its entire interest in a joint venture, Shanghai Haizhimen Property Investment Management Co., Ltd. ("Shanghai Haizhimen"), with a total consideration of approximately RMB5,085,234,000. The net gain on disposal of RMB1,050,952,000 was recognised in 'other gains–net'.

(c) Expenses by nature

	2015	2014
	RMB'000	*RMB'000*
Business tax and other levies	**323,778**	443,556
Employee benefits expense	**246,149**	241,460
Property management expenses	**53,296**	18,071
Advertising and marketing expenses	**50,159**	180,523
Utilities expenses	**49,620**	16,824
Depreciation	**43,419**	31,842
Office expenses	**37,522**	39,642
Rental commission	**27,320**	30,660
Impairment losses	**20,278**	1,384
Litigation expenses	**7,382**	19,172
Auditors' remuneration		
– Audit services	**5,205**	5,208
– Non-audit services	**1,410**	627
Cost of properties sold	**6,267**	2,602,825
Donations contributed	**–**	129,228
Other expenses	**8,260**	10,706
Total cost of sales, selling expenses, administrative expenses and other operating expenses	**880,065**	3,771,728

5 GOVERNMENT GRANTS

The Group received total government grants of RMB163,102,000 (2014: RMB nil) in relation to certain completed projects from the local finance bureaus pursuant to the regulations issued by the respective local governments. These were recognised in "Other revenue and income".

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Income tax in the consolidated income statement represents:

	2015	2014
	RMB'000	*RMB'000*
PRC Corporate Income Tax		
– Provision for the year	**488,592**	502,204
– Under provision in respect of prior years	**29,113**	5,510
Land Appreciation Tax	**73,234**	823,105
Deferred tax	**253,057**	1,207,116
	843,996	2,537,935

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

(ii) In accordance with the Corporate Income Tax Law of the People's Republic of China, the income tax rate applicable to the Company's subsidiaries in the PRC is 25% (2014: 25%).

(iii) In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is levied at the properties developed and sold in the PRC by the Group. Land Appreciation Tax is charged on the appreciated amount at progressive rates ranged from 30% to 50%.

(iv) According to the Implementation Rules of the Corporate Income Tax Law of the People's Republic of China, 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 recognised for the dividends that have been declared, and deferred tax liability is recognised for those to be declared in the foreseeable future.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2015	2014
	RMB'000	*RMB'000*
Profit before taxation	**1,407,468**	6,689,396
Income tax computed by applying the tax rate of 25% (2014: 25%)	**351,867**	1,672,349
Tax effect of Land Appreciation Tax deductible for PRC Corporate Income Tax	**(18,309)**	(205,776)
Tax losses not recognised	**320,908**	198,090
Under-provision in prior years	**29,113**	5,510
Tax effect of non-deductible expenses	**105,264**	26,355
Utilisation of temporary differences not recognised in prior year	**–**	105,801
Non-taxable income	**(18,081)**	(87,499)
Provision for Land Appreciation Tax for the year	**73,234**	823,105
Actual tax expense	**843,996**	2,537,935

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB537,632,000 (2014: RMB4,079,831,000) and the weighted average of 5,192,476,000 ordinary shares (2014: 5,224,777,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2015	2014
	Share '000	*Share '000*
Issued ordinary shares at 1 January	**5,199,523**	5,290,169
Effect of share options exercised	**–**	45
Effect of shares repurchased and cancelled	**–**	(56,987)
Effect of treasury shares	**(8,156)**	(9,423)
Effect of Awarded Shares vested	**1,109**	973
Weighted average number of ordinary shares during the year	**5,192,476**	5,224,777

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB537,632,000 (2014: RMB4,079,831,000) and the weighted average of 5,194,068,000 ordinary shares (2014: 5,228,432,000), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2015	2014
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders	**537,632**	4,079,831
Profit attributable to ordinary equity shareholders (diluted)	**537,632**	4,079,831

(ii) Weighted average number of ordinary shares (diluted)

	2015	2014
	Share '000	*Share '000*
Weighted average number of ordinary shares	**5,192,476**	5,224,777
Effect of deemed issue of shares under the employees' share option schemes	**–**	892
Effect of deemed vesting of the Awarded Shares	**1,592**	2,763
Weighted average number of ordinary shares (diluted)	**5,194,068**	5,228,432

8 TRADE AND OTHER RECEIVABLES

	Note	**2015**	2014
		RMB'000	*RMB'000*
Trade receivables	(a)	**255,848**	195,625
Other receivables		**607,005**	521,625
Less: allowance for doubtful debts		**(61,644)**	(41,366)
		801,209	675,884

(a) Aging analysis

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

	2015	2014
	RMB'000	*RMB'000*
Current	**89,108**	94,353
Less than 1 month past due	**26,191**	8,347
Into 6 months past due	**45,805**	2,089
6 months to 1 year past due	**3,732**	192
More than 1 year past due	**91,012**	90,644
Amounts past due	**166,740**	101,272
	255,848	195,625

9 TRADE AND OTHER PAYABLES

	Note	**2015**	2014
		RMB'000	*RMB'000*
Accrued expenditure on land and construction	(i)	**2,402,210**	2,588,238
Consideration payable for acquisition of subsidiaries and joint ventures		**100,000**	100,000
Amounts due to related parties		**814,382**	731,654
Others		**883,041**	818,600
Financial liabilities measured at amortised costs		**4,199,633**	4,238,492
Other tax payable	(ii)	**379,033**	382,175
		4,578,666	4,620,667

Notes:

(i) These accrued expenditure payables on land and construction are expected to be settled within a year.

The ageing analysis of accrued expenditure on land and construction based on due date is as follows:

	2015	2014
	RMB'000	*RMB'000*
Due within 1 month or on demand	**2,355,022**	2,143,849
Due after 1 month but within 3 months	**47,188**	444,389
	2,402,210	2,588,238

(ii) Other tax payable mainly comprised business tax payable, deed tax payable, urban real estate tax payable, stamp duty payable and withholding tax payable.

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2015	2014
	RMB'000	*RMB'000*
Interim dividend declared and paid of RMB nil per ordinary share (2014: RMB0.12 per ordinary share)	**–**	624,752
Special dividend declared and paid of RMB0.348 per ordinary share (2014: RMB nil per ordinary share)	**1,809,434**	–
Final dividend proposed after the balance sheet date of RMB nil per ordinary share (2014: RMB0.13 per ordinary share)	**–**	675,938
Special dividend proposed after the balance sheet date of RMB0.348 per ordinary share (2014: RMB nil per ordinary share)	**1,809,434**	–
	3,618,868	1,300,690

The special dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2015	2014
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.13 per ordinary share (2014: RMB0.13 per ordinary share)	**675,765**	684,570

(b) Share capital and treasury shares

(i) Share capital

	2015		2014	
	No. of shares	**Share capital**	No. of shares	Share capital
	Share'000	***RMB'000***	*Share'000*	*RMB'000*
Authorised:				
Ordinary shares of HKD0.02 each	**7,500,000**		7,500,000	
Issued and fully paid:				
At 1 January	**5,199,523**	**106,112**	5,290,169	107,868
Shares repurchased and cancelled this year	**–**	**–**	(90,691)	(1,757)
Shares issued under the employees' share option schemes	**–**	**–**	45	1
At 31 December	**5,199,523**	**106,112**	5,199,523	106,112

During the year ended 31 December 2015, options were exercised to subscribe for nil ordinary shares (2014: 45,000) of the Company at consideration of RMB nil (2014: RMB216,550) of which RMB nil (2014: RMB872) was credited to share capital and the balance of RMB nil (2014: RMB215,678) was credited to share premium. RMB nil (2014: RMB67,447) has been transferred from capital reserve to share premium.

(ii) Treasury shares

	2015		2014	
	No. of shares	**Share capital**	No. of shares	Share capital
	Share'000	***RMB'000***	*Share'000*	*RMB'000*
At 1 January	**8,009**	**36,033**	9,252	39,932
Shares purchased for employees' share award scheme	**1,064**	**3,357**	439	2,092
Vesting of shares under employees' share award scheme	**(1,951)**	**(7,052)**	(1,682)	(5,991)
At 31 December	**7,122**	**32,338**	8,009	36,033

Details of treasury shares purchased during the year ended 31 December 2015 are as follows:

Month/year	**Number of shares Repurchased/ (sold)**	**Average price Paid per share**	**Aggregate price paid/ (received)**
	Share'000	*HKD*	*HKD'000*
March 2015	(1)	5.27	(5)
March 2015	(1)	5.09	(5)
April 2015	(1)	5.35	(5)
June 2015	212	5.27	1,115
Dec 2015	855	3.48	2,977
	1,064		4,077

(iii) Terms of unexpired and unexercised share options at balance sheet date

Exercise period	**Exercise price**	**2015**	2014
		Number	*Number*
6 November 2013 to 5 November 2022	HKD5.53	**8,184,000**	8,184,000
		8,184,000	8,184,000

Each option entitles the holder to subscribe for one ordinary share in the Company.

CHAIRMAN'S STATEMENT

Over the Year, SOHO China's net profit has dropped sizably as expected. The main reason for the change is that SOHO China is undergoing the transition of our business model from "build-to-sell" to "build-to-hold". Our profit for 2015 fully reflects this moment in our transition. However, SOHO China's other indicators, such as our low net gearing ratio, leasing speed, and rental income growth, demonstrate our better than expected performance.

Looking back at 2015, from a business perspective, we have upheld our commitment to SOHO China's strategic transition announced three years ago, we almost did not sell any properties during the Year. SOHO China now holds, in the most prosperous areas in Beijing and Shanghai, approximately 1.7 million sq.m. of office properties. These are our most stable, important and valuable assets. Recently, the market considers that SOHO China is pessimistic about Beijing and Shanghai's office property markets, and there are rumors that we plan to withdraw from those markets. This is the exact opposite to our plan. SOHO China's transition of the business model from "build-to-sell" to "build-to-hold" means that rather than selling properties for quick cash, we hold and lease properties for long-term rental income. This is precisely because we are confident about the office property markets in Beijing and Shanghai. Since 2015, with more liquidity in the market, real estate prices have been continuously going up, especially in Beijing and Shanghai. The approximately 1.7 million sq.m. of office properties in SOHO China's investment portfolio are increasing significantly in price, bringing value to our shareholders. At present, the market is quite volatile, and we may come to see even greater volatility.

As a public company, what is our contribution to the society and the market? This is our business foundation. We cannot blindly follow the market, nor should we take advantage of volatility purely for profits and move away from our foundation. Our most fundamental contribution to the society is our products and our services. In this market we strive to create products that people love and services that people need and not to create products that will go unused for our personal benefit. Unused products are the worst waste of the society's resources.

Over the Year, we have achieved excellent performance in construction, leasing and management of all properties including Wangjing SOHO, Guanghualu SOHO II, SOHO Fuxing Plaza, Bund SOHO, Sky SOHO and Hongkou SOHO.

From now on, SOHO China will enter into a stage of stable development, sustainable growth, and continuously increasing asset value. Even though it is not as exciting as the large scale explosive sales we achieved four years ago. The work we have now is very specific and detail-oriented, but it is through the Company's execution that we demonstrate our value. For example, to reduce energy inefficiency and protect the environment, we have worked with leading international partners to develop the most globally advanced energy saving system in our buildings. Our rate of energy consumption is half of that of our peers, and even lower than some developed countries such as Japan, US or Europe. In 2015, we had over twenty projects adopted this energy saving system. Though the amount of money saved from this exercise is still relatively small compared to sales earnings in our early years, we find it incredibly meaningful to the society and the environment. Because of this, we have been recognized and commended by our peers and the government.

In addition, hundreds of thousands of people work in our buildings. Of all the things that today's office tenants need, we believe what ranks the most important is WIFI and cellular network signal strength. We have partnered with China's top three telecom operators and let them compete openly and fairly. We believe that very soon SOHO China's WIFI and cellular network signal will be one of the fastest and most stable signals in China. Though on the surface, our efforts may not bring in additional revenue, and instead only increase operational costs, it indeed enables us to provide our tenants with utmost convenience and top quality services. This is what we believe they need the most. In the past few months, the WIFI and cellular network signal strength in SOHO China's buildings is increasing at a rate of 50% per month.

The overall macroeconomic environment was less than ideal in 2015. Under this climate, SOHO China managed to lease more than 280,000 sq.m. of properties, exceeding our target by approximately 128%. Such an increase in the volume of office leasing, even in global markets such as New York, Hong Kong and Tokyo, is very difficult to accomplish in only 12 months' time. For Wangjing SOHO, the newly signed leases showed a 25.1% increase in rental rate and SOHO Century Plaza showed a rental rate increase of 24.7% for the Year. As long as we focus on the high quality of our products and services, we believe that it will continue to help characterize and have positive impact on SOHO China's properties.

In this easing capital market with low interest rate and low reserve ratio, another thing we did during the Year was issuing RMB denominated bonds to refinance offshore debt so as to manage exchange rate risk, and we successfully issued RMB3 billion bond at low interest rate of 3.45%. This low rate represents capital market's confidence in our Company.

Every one of us is witnessing the drastic changes in the market. Traditional industries are experiencing this even more. What do these changes really reflect? Now we are seeing structural changes where the old economy is declining.

A new form and structure of economy is gradually surfacing. This is an economy that focuses on higher efficiency and lower cost. More importantly, it is an economy that brings fairness to everyone. This is an economy founded on the internet, based on the internet structure, and utilizes the internet as a new tool. Countless online platforms have replaced large corporations of the past, and online platforms are able to convene millions of individuals and small enterprises. Through competition, these individuals and small enterprises can best demonstrate their strengths and capabilities, and provide the market and greater society with better, cheaper and more convenient products and services. This is so-called the "sharing economy". We created SOHO 3Q as brand new office space catered for the sharing economy. During the Year, we built eleven SOHO 3Q centers in Beijing and Shanghai with more than 10,000 seats. We have become the largest provider of co-working space in China, with more than 30,000 members. SOHO 3Q is gradually building both online and offline communities. Not only do we have start-up entrepreneurs, we also have companies of different sizes and from different industries. Our next step is focusing on building the membership system, inviting more people to become SOHO 3Q members, and offering them convenient services.

In 2016, we aim at growing at a healthy and stable pace.

BUSINESS REVIEW

The details of rental income and occupancy rates of major investment properties of the Company in 2015 are as follows:

Projects	Effective Interest	Leasable GFA[1] *(sq.m.)*	Rental Income 2015 *(RMB'000)*	Rental Income 2014 *(RMB'000)*	YoY Change %	Occupancy Rate[2] as of 31 December 2015	Occupancy Rate[2] as of 31 December 2014
			Completed Projects–Beijing				
Qianmen Avenue project	100.0%	35,317	121,095	108,165	12.0%	81.4%	76.2%
Wangjing SOHO Tower 3	100.0%	133,766	288,537	47,993	501.2%	100.0%	68.9%
Guanghualu SOHO II	100.0%	94,279	90,034	–	–	84.7%	6.0%
			Completed Projects – Shanghai				
SOHO Century Plaza	100.0%	42,741	109,597	107,615	1.8%	100.0%	94.5%
SOHO Fuxing Plaza	100.0%	88,234	178,901	30,924	478.5%	94.5%	64.4%
Sky SOHO	100.0%	128,129	69,954	1,517	4,511.3%	72.9%	7.3%
Hongkou SOHO[3]	100.0%	69,892	5,450	–	–	33.9%	–
Bund SOHO[4]	61.5%	73,781	19,763	–	–	60.5%	–
			Projects Under Construction – Beijing and Shanghai				
SOHO Leeza	100.0%	133,780	–	–	–	–	–
SOHO Tianshan Plaza	100.0%	115,619	–	–	–	–	–
Gubei project	100.0%	113,416	–	–	–	–	–

Notes:
1. Attributable to the Group
2. Occupancy rate for office and retail, including SOHO 3Q (if any)
3. Lease inception in October 2015
4. Lease inception in November 2015

Major Projects in Beijing

Qianmen Avenue project

Qianmen Avenue project is located in the Qianmen area immediately south of Tiananmen Square, within one of the largest 'Hutong' (traditional Beijing courtyards) conservation areas in Beijing. We have the right to retail area of approximately 54,691 sq.m., of which approximately 35,317 sq.m. is currently available for lease. The Group successfully repositioned and upgraded the tenant mix at Qianmen Avenue by introducing the flagship and 'experienced' stores from many renowned international and local brands including Madame Tussaud's Wax Museum and Lenovo. The Group will continue to work towards its goal of developing Qianmen Avenue into a premier "tourist destination". Leveraging on its massive visitor traffic, the project will continue to attract and retain high-quality tenants that fit the positioning of the project.

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.. The project comprises three towers (Towers 1, 2 and 3), among which, Towers 1 and 2 have been sold and revenue has been recognized by the end of 2014.

The Group is holding Wangjing SOHO Tower 3 with approximately 133,766 sq.m. of leasable area as investment property, of which approximately 123,568 sq.m. are for office use and approximately 10,198 sq.m. are for retail use. Tower 3 was completed in September 2014.

The Wangjing area where Wangjing SOHO is located is one of Beijing's most well-developed high-end residential areas which noticeably lacks large-scale office and commercial facilities. Upon full completion of Wangjing SOHO in 2014, the project has significantly enhanced and balanced the overall urban make-up of the Wangjing area. The project, with a height of nearly 200 meters, is the first landmark and a point of access to central Beijing from the airport expressway. Currently, the Wangjing area is also home to the headquarters of many prestigious multinational companies in the PRC such as Daimler, Siemens, Microsoft and Caterpillar as well as an emerging hub for internet companies in Beijing.

Guanghualu SOHO II

Guanghualu SOHO II is located at the heart of the Beijing Central Business District, opposite to the Guanghualu SOHO project, close to subway line 1 and line 10. The area is a mature business district in Beijing which hosts 70% of the city's foreign enterprises. The total planned GFA of the project is approximately 165,201 sq.m. and total leasable area 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.

SOHO Leeza

SOHO Leeza is located in the center of the Lize Financial Business District in Beijing. The site 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 14 and 16. Located between Beijing's Western 2nd and 3rd 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.

We acquired the land use right for SOHO Leeza project through a successful bid of RMB1.922 billion in September 2013. The Lize Financial Business District is currently home to hundreds of financial institutions and large corporations, including financial companies such as China Securities Finance Corporation, China United Property Insurance Company, and financial institutions such as China Financial Information Exchange, China Railway & Banking Express Company, Zhongtong Finance, etc..

The project is currently under construction. The Group intends to hold SOHO Leeza as investment property.

Major Projects in Shanghai

SOHO Century Plaza

The project is the first completed office building wholly-owned by the Group in Shanghai as investment property. It has a total GFA of approximately 60,501 sq.m. and a total leasable GFA of approximately 42,741 sq.m., including approximately 42,522 sq.m. of office area and approximately 219 sq.m. of retail area. The project is almost fully occupied with approximately 50% leased to the Shanghai Futures Exchange and the rest mainly to financial institutions and service companies.

SOHO Century Plaza is situated on Century Avenue in Zhu Yuan business district of Pudong District in Shanghai. The project is close to the Lujiazui financial district and is only about three kilometers away from Jin Mao Tower and Oriental Pearl TV Tower. SOHO Century Plaza is easily accessible through convenient subway networks and road systems. It is within five minutes of walking distance to Pudian Road Station on subway line 4 and within eight minutes of walking distance to Century Avenue Station, the interchange station for subway lines 2, 4, 6 and 9. Century Avenue Station is currently the largest subway transportation hub in China.

SOHO Fuxing Plaza

SOHO Fuxing Plaza is situated at Huai Hai Road Central, the most vibrant and cosmopolitan commercial street in Shanghai with direct access to subway line 10 and subway line 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 135,052 sq.m. and a leasable area of approximately 88,234 sq.m., of which approximately 50,057 sq.m. is for office use and approximately 38,177 sq.m. is for retail use. The project was completed in September 2014.

Sky SOHO

Sky SOHO is located in Shanghai's Hongqiao Linkong Economic Zone, adjacent to the Shanghai Hongqiao transportation hub, which is the convergence point for a variety of transportation systems in Shanghai including Hongqiao International Airport, Hongqiao High-Speed railway and the subway.

Sky SOHO was completed in November 2014. Following the disposal of approximately half of the total leasable area of Sky SOHO to Ctrip affiliates in September 2014, the Group is holding the remaining parts of the project with a leasable area of approximately 128,129 sq.m., which consists of approximately 102,968 sq.m. of office area and approximately 25,161 sq.m. of retail area, as investment property.

Hongkou SOHO

Hongkou SOHO is located at the most developed area of the Sichuan North Road commercial district, one of the three largest commercial districts in Shanghai. It is situated at Sichuan North Road Station on subway line 10 and is within 300 meters of Baoshan Road Station, the interchange station for subway lines 3 and 4.

The project has a total GFA of approximately 93,757 sq.m. and a leasable GFA of approximately 69,892 sq.m., including approximately 65,315 sq.m. of office area and approximately 4,577 sq.m. of retail area. The Group is holding Hongkou SOHO as investment property. The project was completed in July 2015.

Bund SOHO

Bund SOHO is located on the exclusive strip of land in Shanghai referred to as the Bund. Bund SOHO is framed by Yong'an Road to the west, Xin Yong'an Road to the north, East Second Zhong Shan Road to the east, and Xinkaihe Road and Renmin Road to the south. Bund SOHO is located 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 73,781 sq.m., including approximately 50,439 sq.m. of office area and approximately 23,342 sq.m. of retail area. The Group is holding the project as investment property. 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, business and high-end residential apartments. In close proximity to the Tianshan Road Commercial Street, SOHO Tianshan Plaza neighbors the Inner Circle and Loushanguan Station on subway line 2. Surrounded by a lively and bustling commercial atmosphere, SOHO Tianshan Plaza is situated at the hub for office, retail and luxurious residential apartments in Changning District. Upon completion, SOHO Tianshan Plaza will greatly enhance the quality of office and commercial facilities in the area.

SOHO Tianshan Plaza has a total planned GFA of approximately 170,238 sq.m. and a total leasable GFA of approximately 115,619 sq.m..

The project is currently under construction. The Group intends to hold SOHO Tianshan Plaza as investment property.

Gubei project

The land for the Gubei project is located in the core area of the Hongqiao Foreign Trade Center in Shanghai's Changning District.

We acquired the land use right to this parcel of land through a successful bid of RMB3.19 billion made in April 2013. The land is bordered by Yili Road to the east, Hongbaoshi Road to the south, Manao Road to the west and the Hongqiao Road to the north. After completion, the project will be accessible underground from Yili Station on subway line 10 and will be in close proximity to the Gubei Takashimaya Shopping Mall, Gubei Fortuna Plaza and other Grade A office buildings.

The project has a total GFA of approximately 158,648 sq.m., of which above-ground GFA is approximately 113,416 sq.m.. The Group intends to hold the Gubei project as investment property. The project is currently under construction.

Sales of Project Interests

On 23 September 2015, Shanghai Haizhimen Property Investment Management Co., Ltd. (上海海之門房地產投資管理有限公司, "Haizhimen"), a 50% indirectly-owned entity of the Company, has disposed of its entire equity interest in Shanghai Zendai Bund International Finance Services Centre Real Estate Company Limited (上海證大外灘國際金融服務中心置業有限公司) to another shareholder of Haizhimen, Zhejiang Fosun Commerce Development Limited (浙江復星商業發展有限公司, "Zhejiang Fosun") at a consideration of RMB8.493 billion. At the same time, Haizhimen underwent restructuring in relation to its shareholders' loans, such that the shareholders' loans granted by Shanghai Zendai Wudaokou Real Estate Development Co., Ltd. (上海証大五道口房地產開發有限公司), Hangzhou Greentown Hesheng Investment Company (杭州綠城合升投資有限公司) and Shanghai Panshi Investment Management Co., Ltd. (上海磐石投資管理有限公司), all being indirect wholly-owned subsidiaries of the Company, in favour of Haizhimen will be assigned to Shanghai Chang Sheng Investment Management Consulting Co., Ltd. (上海長昇投資管理咨詢有限公司, "Shanghai Chang Sheng"), another indirect wholly-owned subsidiary of the Company. Haizhimen made repayment of the loan of approximately RMB3.105 billion and accrued interest of approximately RMB1.480 billion to Shanghai Chang Sheng. Further details of the above transactions were disclosed in the Company's announcement dated 23 September 2015.

FINANCIAL REVIEW

Turnover

Turnover in 2015 was approximately RMB995 million, representing a decrease of approximately RMB5,103 million or approximately 84% as compared with approximately RMB6,098 million in 2014. This was mainly attributable to the change of the Company's business model from "build-to-sell" to "build-and-hold". Turnover for the Period mainly came from Wangjing SOHO Tower 3, SOHO Fuxing Plaza, Qianmen Avenue project, SOHO Century Plaza, Guanghualu SOHO II, etc..

Property lease

Rental income in 2015 was approximately RMB1,052 million, representing an increase of approximately RMB628 million or approximately 148% as compared with approximately RMB424 million in 2014. This was attributable to the higher average occupancy rate of Wangjing SOHO Tower 3, SOHO Fuxing Plaza, Sky SOHO and Guanghualu SOHO II as compared to 2014, and the contributions from the newly completed Hongkou SOHO and Bund SOHO during the Year.

Profitability

Gross profit for 2015 was approximately RMB734 million, representing a decrease of approximately 76% as compared with approximately RMB3,078 million in 2014. Gross profit margin for the Period was approximately 74% (2014: 50%).

Profit before taxation for 2015 was approximately RMB1,407 million, representing a decrease of approximately 79% as compared with approximately RMB6,689 million in 2014. The decrease in profit before taxation was mainly due to the change of the Company's business model which led to a reduction in property sales.

Net profit attributable to the equity shareholders of the Company for 2015 was approximately RMB538 million, representing a decrease of approximately 87% as compared with 2014. Core net profit, excluding net valuation gains on investment properties, was approximately RMB423 million, representing a decrease of approximately 76% as compared with 2014. Core net profit margin for 2015 was approximately 42%.

Cost control

Selling expenses for 2015 was approximately RMB69 million, representing a decrease of approximately 65% as compared with approximately RMB200 million in 2014, due to the reduction of property sales caused by business model transition during the Period.

Administrative expenses for 2015 was approximately RMB251 million, representing a decrease of approximately 10% as compared with approximately RMB278 million in 2014, due to the Group's more strict cost control during the Period.

Financial income and expenses

Financial income for 2015 was approximately RMB380 million, representing 4.2% of the average cash and deposits balance in 2015 as compared with 6.1% in 2014. The decrease was mainly due to a lower level of cash balance.

Financial expenses for 2015 were approximately RMB927 million, representing an increase of approximately RMB597 million compared to that in 2014. The increase was due to a lesser amount of interest expenses being capitalized during the Period compared to that in 2014.

Valuation gains on investment properties

Valuation gains on investment properties for 2015 were approximately RMB204 million, mainly contributed by the valuation gains from investment properties completed during the Period.

Income tax

Income tax of the Group for 2015 comprised the PRC Corporate Income Tax, the Land Appreciation Tax and the Deferred Tax. PRC Corporate Income Tax for the Period was approximately RMB844 million, representing a decrease of approximately RMB1,694 million as compared with approximately RMB2,538 million in 2014. Land Appreciation Tax for the Period was approximately RMB73 million, representing a decrease of approximately RMB750 million as compared with approximately RMB823 million in 2014. Deferred Tax for the Period was approximately RMB253 million, representing an increase of RMB954 million as compared with approximately RMB1,207 million in 2014.

Senior notes, bank loans and collaterals

As disclosed in the Company's announcements dated 25 September 2015, 12 October 2015 and 19 October 2015, out of the US$400 million 7.125% senior notes due 2022, an aggregate principal amount of US$146,731,000 of the senior notes were tendered on 16 October 2015 with a remaining outstanding principal amount of US$253,269,000.

As disclosed in the Company's announcements dated 6 November 2015 and 7 December 2015, all the outstanding US$600 million 5.750% senior notes due 2017 were redeemed in full on 6 December 2015.

As of 31 December 2015, the bank loans of the Group were approximately RMB16,267 million, of which approximately RMB1,921 million are due within one year, approximately RMB3,501 million are due after one year but within two years, approximately RMB8,485 million are due after two years but within five years and approximately RMB2,360 million are due after five years. As of 31 December 2015, the Group's bank loans of approximately RMB16,267 million were collateralized by the Group's land use rights, properties and shares of certain subsidiaries or guaranteed by certain subsidiaries of the Group.

As of 31 December 2015, the Group had senior notes and bank loans of approximately RMB17,882 million, equivalent to approximately 25% of the total assets (31 December 2014: approximately 26%). Net debt (bank loans + senior notes – cash and cash equivalents and bank deposits) to total equity ratio was approximately 24% as of 31 December 2015 (31 December 2014: approximately 19%).

Risks of foreign exchange fluctuation and interest rate

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars and US dollars, and the Group's senior notes were denominated in US dollars. In September 2013, the Group entered into an interest rate swap agreement for the syndicated loans denominated in US dollars (US$415 million) to hedge the potential interest rate risk. During the Year, the Group's operating cash flow and liquidity have not been subject to significant influence from the fluctuations in exchange rate.

Contingent liabilities

As of 31 December 2015, the Group had entered into agreements with certain banks to provide guarantees in respect of mortgage loans provided to buyers of property units. The amount of guaranteed mortgage loans relating to such agreements was approximately RMB4,482 million as of 31 December 2015 (approximately RMB6,433 million as of 31 December 2014).

In relation to the litigation with regard to the Bund 8-1 project, as disclosed in the Company's announcement dated 9 November 2015, the Higher People's Court of Shanghai issued a final appeal judgement, among other things, approving the withdrawal of all claims made by Zhejiang Fosun against the Group, revoking the trial judgement issued by Shanghai No.1 Intermediate People's Court of the PRC, and declaring the court acceptance fees for the first and second trials to be borne by Zhejiang Fosun.

Other than the above litigation, the Group is a defendant in certain lawsuits as well as the named party in other proceedings arising in the normal course of business. While the outcomes of such contingencies, lawsuits and proceedings cannot be determined at present, based on the information currently available and to the best knowledge, information and belief of the Board, any resulting liabilities will not have a material adverse effect on the financial position, liquidity or operating results of the Group.

Capital commitment

As of 31 December 2015, the Group's total capital commitments for properties under development was approximately RMB5,553 million (approximately RMB6,209 million as of 31 December 2014). The amount mainly comprised the contracted and the authorised but not contracted development cost of the existing projects.

Employees and remuneration policy

As at 31 December 2015, the Group had 2,433 employees, including 250 employees for Commune by the Great Wall and 1,773 employees for the property management company.

The remuneration package of the Group's employees includes basic salary and bonuses. Bonuses are determined on a quarterly basis based on performance reviews. Pursuant to the terms of the share option scheme adopted by the Company on 14 September 2007, the Company granted share options to various directors and employees. The Company adopted the share award scheme (the "Employee's Share Award Scheme") on 23 December 2010 as part of its employees' remuneration package, and had granted shares of the Company (the "Shares") to various employees, including various Directors pursuant to the rules of the Employee's Share Award Scheme.

OTHER INFORMATION

Principal activities

The principal activity of the Company is investment in real estate development, leasing and management. Details of the principal activities of the Group during the Year are set out in the section headed "Business Review" of this announcement. There were no significant changes in the nature of the Group's principal activities during the Period.

Dividends

In October 2015, the Board recommended the declaration and payment of the special dividend of RMB0.348 per share to the shareholders of the Company which has been approved by shareholders at the extraordinary general meeting of the Company held on 13 November 2015.

The Board recommended the declaration and payment of a special divided of RMB0.348 per share to the shareholders of the Company which is subject to shareholders' approval at the AGM to be held on Wednesday, 18 May 2016. The Board did not recommend the declaration of final dividend for the year ended 31 December 2015 (2014: RMB0.13/share).

Subject to the passing of an ordinary resolution by the shareholders at the AGM approving the declaration and payment of the special dividend, it is expected that the special dividend will be paid in cash on or about 8 June 2016 to the qualifying shareholders whose names appear on the register of members of the Company at close of business on Monday, 30 May 2016, being the record date for determination of entitlements to the special dividend.

Share capital

As of 31 December 2015, the Company had 5,199,524,031 Shares in issue (31 December 2014: 5,199,524,031 Shares).

Closure of register of members

The register of members of the Company will be closed from Thursday, 12 May 2016 to Wednesday, 18 May 2016 (both days inclusive), during which period no transfer of Shares will be registered. To be eligible for attending and voting at the forthcoming AGM to be held on Wednesday, 18 May 2016, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 11 May 2016.

The register of members of the Company will also be closed from Tuesday, 24 May 2016 to Monday, 30 May 2016 (both days inclusive), during which period no transfer of Shares will be registered. To be eligible for the entitlement to the special dividend, which is subject to shareholders' approval at the AGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 23 May 2016.

Purchase, sale or redemption of listed securities of the Company

During the Period, the Company has not repurchased any Shares on the Stock Exchange. The trustee of the Employees' Share Award Scheme purchased on the Stock Exchange a total of 1,066,500 Shares at a total consideration of approximately HKD4,091,693 and sold on the Stock Exchange a total of 3,000 Shares at a total consideration of approximately HKD15,710 pursuant to the terms of the trust deed under the Employees' Share Award Scheme. Other than the aforesaid, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities during the Period.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (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 of 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 14 to the Listing Rules during the Period.

Audit committee

The audit committee of the Company had reviewed the audited consolidated annual results of the Company for the year ended 31 December 2015 and considered that the Company had complied with all applicable accounting standards and requirements and had made adequate disclosure.

Material events after the Period

As disclosed in the Company's announcements dated 13 November 2015, 6 January 2016 and 22 January 2016 in relation to the issue of the corporate bonds in the PRC by Beijing Wangjing SOHO Real Estate Co., Ltd. (北京望京搜候房地產有限公司, "Beijing Wangjing"), a wholly-owned subsidiary of the Company, Beijing Wangjing and the lead underwriters, on 22 January 2016, have determined that the corporate bonds will be issued in the aggregate principal amount of RMB3 billion at the coupon rate of 3.45% for a term of 3 years. The issue of the corporate bonds completed on 26 January 2016 and the corporate bonds are listed on the Shanghai Stock Exchange (SSE Code: 136175).

Publication of results announcement

This annual results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.sohochina.com.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Hong Kong, 8 March 2016

As at the date of this announcement, the executive Directors are Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita and Ms. Yan Yan; and the independent non-executive Directors are Mr. Sun Qiang Chang, Mr. Cha Mou Zing, Victor and Mr. Xiong Ming Hua.