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**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 2024**

**FINANCIAL HIGHLIGHTS**

- The average occupancy of the Group's investment properties has stabilized during the Year and recovered to approximately 78% at the end of the Year.
- Under the unfavorable conditions of a weakening macroeconomic environment and continued pressure on the office and commercial property leasing market, the Group recorded a total revenue of approximately RMB1,540 million for the Year.
- Gross profit margin from property leasing business remained stable at approximately 83% for the Year.
- Underlying profit attributable to owners of the Company from operating activities (excluding valuation changes on investment properties and one-off tax fees) was approximately RMB278 million for the Year. Loss attributable to owners of the Company was approximately RMB113 million for the Year.

The board (the “**Board**”) of directors (the “**Directors**”) of SOHO China Limited (the “**Company**” or “**SOHO China**” or “**we**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**”), together with the comparative figures for the year ended 31 December 2023 as follows:

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		Year ended 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
Revenue	2	1,540,432	1,678,546
Cost of sales		<u>(260,037)</u>	<u>(299,854)</u>
<b>Gross profit</b>		<b>1,280,395</b>	<b>1,378,692</b>
Fair value changes on investment properties		(133,877)	(191,255)
Other income and gains		471,606	432,980
Selling expenses		(32,388)	(33,412)
Administrative expenses		(95,667)	(135,976)
Other operating expenses and losses		<u>(710,928)</u>	<u>(638,268)</u>
<b>Operating profit</b>		<b>779,141</b>	<b>812,761</b>
Finance income	3	4,802	11,636
Finance expenses	3	<u>(721,631)</u>	<u>(778,190)</u>
<b>Profit before income tax</b>		<b>62,312</b>	<b>46,207</b>
Income tax expense	4	<u>(179,996)</u>	<u>(226,279)</u>
<b>Loss for the Year</b>		<b><u>(117,684)</u></b>	<b><u>(180,072)</u></b>
<b>Loss attributable to:</b>			
– Owners of the Company		(113,441)	(179,899)
– Non-controlling interests		<u>(4,243)</u>	<u>(173)</u>
<b>Loss for the Year</b>		<b><u>(117,684)</u></b>	<b><u>(180,072)</u></b>
<b>Loss per share (RMB per share)</b>	5		
Basic loss per share		<u>(0.02)</u>	<u>(0.03)</u>
Diluted loss per share		<u>(0.02)</u>	<u>(0.03)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
<b>Loss for the Year</b>	<b>(117,684)</b>	<b>(180,072)</b>
<b>Other comprehensive (expense)/income:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(9,268)	4,584
<i>Item that may not be reclassified to profit or loss</i>		
Currency translation differences	—	1,991
<b>Other comprehensive (expense)/income for the Year, net of tax</b>	<b>(9,268)</b>	<b>6,575</b>
<b>Total comprehensive expense for the Year</b>	<b>(126,952)</b>	<b>(173,497)</b>
<b>Total comprehensive (expense)/income for the Year attributable to:</b>		
– Owners of the Company	(123,089)	(173,748)
– Non-controlling interests	(3,863)	251
	<b>(126,952)</b>	<b>(173,497)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December	
		2024	2023
	Notes	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		63,079,400	63,421,300
Property and equipment		904,385	940,876
Intangible assets		–	16
Deferred tax assets		810,867	831,264
Trade and other receivables	6	68,743	68,743
Investment in other financial assets		284,967	274,090
Total non-current assets		<u>65,148,362</u>	<u>65,536,289</u>
<b>Current assets</b>			
Completed properties held for sale		1,605,127	1,610,444
Investment in other financial assets		140,864	–
Prepayments		101,645	105,504
Trade and other receivables	6	520,047	535,782
Restricted bank deposits		25,808	60,076
Cash and cash equivalents		589,623	769,461
Total current assets		<u>2,983,114</u>	<u>3,081,267</u>
<b>Total assets</b>		<u><b>68,131,476</b></u>	<u><b>68,617,556</b></u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		106,112	106,112
Other reserves		36,037,670	36,160,759
		<u>36,143,782</u>	<u>36,266,871</u>
<b>Non-controlling interests</b>		<u>924,290</u>	<u>928,153</u>
<b>Total equity</b>		<u><b>37,068,072</b></u>	<u><b>37,195,024</b></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at 31 December 2024*

		<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank and other borrowings	7	<b>9,823,169</b>	10,707,093
Long-term deposits		<b>297,826</b>	308,821
Deferred tax liabilities		<b>10,004,805</b>	9,955,083
Total non-current liabilities		<b>20,125,800</b>	20,970,997
<b>Current liabilities</b>			
Bank and other borrowings	7	<b>5,732,567</b>	5,177,875
Receipts in advance		<b>538,050</b>	609,658
Trade and other payables	8	<b>3,011,512</b>	2,973,786
Current income tax liabilities		<b>1,655,475</b>	1,690,216
Total current liabilities		<b>10,937,604</b>	10,451,535
<b>Total liabilities</b>		<b>31,063,404</b>	31,422,532
<b>Total equity and liabilities</b>		<b>68,131,476</b>	68,617,556

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

### (i) Compliance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 31 December 2024, the Group’s current liabilities exceeded its current assets by RMB7,954,490,000. During the Year, the Group has entered into supplemental agreements with the major existing lenders to revise the repayment instalment amounts for borrowings with total principal amounts of RMB1,880,000,000. As at 31 December 2024, the Group’s total bank and other borrowings amounted to RMB15,555,736,000 (including the current portion of RMB5,732,567,000 as disclosed in Note 7). The above borrowings were collateralized by the Group’s investment properties recorded at a total carrying amount of RMB53,859,471,000. As at 31 December 2024, the Group had unrestricted cash and cash equivalents amounted to RMB589,623,000.

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 31 December 2024, RMB155,600,000 of the LAT demanded had been paid and the remaining balance of the LAT, together with surcharges totalling RMB2,305,263,000, were outstanding.

Subsequent to the Year and as at the date of this announcement, the Group has entered into supplementary agreements with major existing lenders to revise the installment repayment instalment amounts of the borrowings for the year ending 31 December 2025. Accordingly, the principal amounts of total bank and other borrowings that the Group has to repay were reduced from RMB1,895,000,000 to RMB1,249,800,000.

The late payment of LAT might trigger cross-defaults of certain bank borrowings of the Group amounting to RMB4,144,000,000 as at 31 December 2024 (the “**Cross-Defaulted Borrowings**”). The Cross-Defaulted Borrowings with a total principal amount of RMB4,144,000,000 and interest of RMB13,192,000, including those with original contractual repayment dates beyond 31 December 2024, were reclassified as current liabilities as at 31 December 2024 as they are due upon demand if requested by the respective lenders.

The above conditions indicate that a material uncertainty exists that may cast significant doubt on 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 including, but are not limited to, the following:

- (a) the Group has been in proactive and continuous communications with the local tax authority for a feasible settlement plan on the outstanding LAT and surcharges. The Group continued to dispose of certain of its commercial properties to settle a portion of the unpaid LAT. With the support and coordination of relevant government bodies and tax authorities, from 1 September 2022 to the date of this announcement, the Group has completed the sale of certain commercial properties, and settled LAT amounting to RMB155,600,000 as of 31 December 2024.

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;

- (b) the Group has been in proactive and continuous communication and will continue to negotiate with relevant lenders, including those of the Cross-Defaulted Borrowings. The Group has entered into supplemental agreements with the major existing lenders, including the lenders of the Cross-Defaulted Borrowings, to further revise the repayment installment amounts for borrowings with total principal amounts of RMB4,580,000,000 subsequent to 31 December 2024 and up to the date of this announcement. 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 between the management and the lenders of the Cross-Defaulted 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 controlling cost and expenses and containing capital expenditure.

The Directors have reviewed the Group's cash flow projections prepared by management which cover a period of not less than twelve months from 31 December 2024 on the assumption that the Group is able to refinance the bank borrowings when due. 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 31 December 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 of the Company 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;
- (b) whether the lenders of the bank and other borrowings, including those of the Cross-Defaulted Borrowings, will call for repayment ahead of the stipulated repayment dates as a result of any developments of the LAT or other matters; and
- (c) the Group's ability to generate operating cash flows to meet the Group's ongoing funding needs as well as successfully controlling costs and expenses and capital expenditure.

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 these consolidated financial statements.

**(ii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis except that the following assets are measured at their fair value as explained in the accounting policies set out below:

- Investment properties;
- Office premises; and
- Investment in other financial assets.



**(iii) Amended standards adopted by the Group**

The Group has applied the following amended standards for its annual reporting period commencing 1 January 2024:

- Amendments to HKFRS 16 “Lease Liability in a Sale and Leaseback”;
- Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5”;
- Amendments to HKAS 1 “Non-current Liabilities with Covenants”; and
- Amendments to HKAS 7 and HKFRS 7 “Supplier Finance Arrangements”.

Except for those mentioned below, the amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

***Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to “Hong Kong Interpretation 5” and Amendments to HKAS 1 “Non-current Liabilities with Covenants”***

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the end of the reporting period and this right has to be existed at the end of the reporting period. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities make at the end of the reporting period as to the classification of the liability.

Covenants of a loan arrangement that an entity must comply with on or before the end of the reporting period (even if the covenant is only assessed after the end of the reporting period) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the end of the reporting period.

The amendments are applied retrospectively.

Based on the Group’s outstanding liabilities as at 1 January 2024, the application of amendments did not result in reclassification of the Group’s liabilities.

(iv) **New and amended standards and interpretations not yet adopted by the Group**

Certain new and amendments to HKFRSs have been published that are not mandatory for the Year and have not been early adopted by the Group.

- HKFRS 18 “Presentation and Disclosure in Financial Statements”;
- HKFRS 19 “Subsidiaries without Public Accountability: Disclosure”;
- Amendments to HKFRS 9 and HKFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”;
- Amendments to HKFRS 9 and HKFRS 7 “Contracts Referencing Nature-dependent Electricity”;
- Amendments to HKFRS 10 and HKAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”;
- Amendments to HKAS 21 “Lack of Exchangeability”;
- Amendments to HKFRS Accounting Standards “Annual Improvements to HKFRS Accounting Standards – Volume 1”; and
- Amendments to Hong Kong Interpretation 5 “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause”.

The Directors anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group’s accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group’s consolidated financial statements.

***HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5***

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of the consolidated financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “**operating profits**” and “**profits before financing and income tax**”), and classifying items into five newly defined categories (namely “**operating**”, “**investing**”, “**financing**”, “**income tax**” and “**discontinued operation**”), depending on the reporting entity’s main business activities, in the consolidated statement of profit or loss;
- disclosure of management-defined performance measures in a single note to the consolidated financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the consolidated financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

## 2 REVENUE

The Group is principally engaged in real estate development, the provision of property leasing and related services in the People’s Republic of China (the “**PRC**”). Revenue is analyzed as follows:

	<i>Note</i>	<b>2024</b> <b>RMB’000</b>	2023 RMB’000
Rental income		<b>1,534,716</b>	1,671,863
Sale of property units	<i>(i)</i>	<u><b>5,716</b></u>	<u>6,683</u>
		<u><b>1,540,432</b></u>	<u>1,678,546</u>

(i) During the Year, revenue from sale of property units is recognized at a point of time.

(ii) No single customer contributed 10% or more of the Group’s revenue during the Year.

### 3 FINANCE INCOME AND FINANCE EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Finance income</b>		
Interest income	4,490	9,846
Net foreign exchange gains	<u>312</u>	<u>1,790</u>
	<u><b>4,802</b></u>	<u><b>11,636</b></u>
<b>Finance expenses</b>		
Interest expenses on bank and other borrowings	720,918	777,538
Bank charges and others	<u>713</u>	<u>652</u>
	<u><b>721,631</b></u>	<u><b>778,190</b></u>

### 4 INCOME TAX EXPENSE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax		
– PRC corporate income tax	54,008	56,071
– PRC LAT	55,869	34,712
Deferred income tax	<u>70,119</u>	<u>135,496</u>
	<u><b>179,996</b></u>	<u><b>226,279</b></u>

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.

Provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the Year.

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% (2023: 25%).

In accordance with the Macau Complementary Tax Law, complementary tax is imposed on a progressive rate scale ranging from 3% to 9% for taxable profits below or equal to MOP 300,000 and 12% for taxable profits over MOP 300,000. Taxable profits below MOP 32,000 are exempt from tax.

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 ranging 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.

## 5 LOSS PER SHARE, BASIC AND DILUTED

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company of RMB113,441,000 (2023: RMB179,899,000) and the weighted average number of 5,199,524,000 (2023: 5,199,524,000) ordinary shares in issue during the Year, and after adjusting for the effect of share award scheme, if any, calculated as follows:

(i) Loss attributable to owners of the Company

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss attributable to owners of the Company	<u>(113,441)</u>	<u>(179,899)</u>
Loss attributable to owners of the Company (diluted)	<u>(113,441)</u>	<u>(179,899)</u>

(ii) Weighted average number of ordinary shares

	2024 <i>Share'000</i>	2023 <i>Share'000</i>
Issued ordinary shares at the beginning	<u>5,199,524</u>	<u>5,199,524</u>
Weighted average number of ordinary shares during the Year	<u>5,199,524</u>	<u>5,199,524</u>
Weighted average number of ordinary shares during the Year (diluted)	<u>5,199,524</u>	<u>5,199,524</u>

(iii) Loss per share

	<b>2024</b>	2023
	<b>RMB</b>	<b>RMB</b>
Basic loss per share	<b>(0.02)</b>	(0.03)
Diluted loss per share	<b>(0.02)</b>	(0.03)

## 6 TRADE AND OTHER RECEIVABLES

		<b>As at 31 December</b>	
		<b>2024</b>	2023
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current</b>			
Other receivables		<b>68,743</b>	68,743
<b>Current</b>			
Trade receivables	<i>(i)</i>	<b>371,257</b>	421,637
Less: allowance for impairment of trade receivables	<i>(ii)</i>	<b>(47,290)</b>	(46,667)
Trade receivables – net		<b>323,967</b>	374,970
Amounts due from related parties		<b>24,740</b>	24,740
Amounts due from non-controlling interest		<b>46,493</b>	46,493
Other receivables		<b>234,931</b>	199,949
Less: allowance for impairment of other receivables	<i>(ii)</i>	<b>(110,084)</b>	(110,370)
Other receivables – net		<b>196,080</b>	160,812
Total of current portion		<b>520,047</b>	535,782

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

(i) Aging analysis

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

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts not past due	<u>289,334</u>	<u>341,893</u>
Less than 1 month past due	768	15,567
1 to 6 months past due	8,253	10,053
6 months to 1 year past due	21,657	7,579
More than 1 year past due	<u>51,245</u>	<u>46,545</u>
Amounts past due	<u>81,923</u>	<u>79,744</u>
	<u><u>371,257</u></u>	<u><u>421,637</u></u>

(ii) Impairment of trade and other receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance and general approach for all trade and other receivables.

## 7 BANK AND OTHER BORROWINGS

(i) The borrowings were as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings	10,026,228	10,246,278
Other borrowings	<u>5,529,508</u>	<u>5,638,690</u>
	<u><u>15,555,736</u></u>	<u><u>15,884,968</u></u>

(ii) The borrowings repayable as follows:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Within 1 year or on demand	<u>5,732,567</u>	<u>5,177,875</u>
After 1 year but within 2 years	<b>821,589</b>	1,905,000
After 2 years but within 5 years	<b>3,535,503</b>	3,001,537
After 5 years	<u>5,466,077</u>	<u>5,800,556</u>
	<u><b>9,823,169</b></u>	<u>10,707,093</u>
	<u><b>15,555,736</b></u>	<u><b>15,884,968</b></u>

(iii) Compliance with loan covenants

As at 31 December 2024, the current borrowings included (i) the Cross-Defaulted Borrowings of RMB4,157,912,000; and (ii) the other borrowings, which are not yet overdue or defaulted but with contractual repayment dates prior to 31 December 2025, of RMB1,574,655,000.

## 8 TRADE AND OTHER PAYABLES

	<i>Note</i>	<b>As at 31 December</b>	
		<b>2024</b>	<b>2023</b>
		<b>RMB'000</b>	<b>RMB'000</b>
Trade payables	<i>(i)</i>	<b>927,982</b>	911,636
Amounts due to related parties		<b>812,732</b>	812,732
Late payment fees		<b>727,529</b>	436,481
Rental deposits		<b>231,813</b>	222,540
Other taxes payable		<b>86,646</b>	89,727
Deposits of sales of properties		–	11,058
Payroll and welfare payables		<b>3,554</b>	9,740
Others		<u>221,256</u>	<u>479,872</u>
		<u><b>3,011,512</b></u>	<u><b>2,973,786</b></u>



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

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

	<b>As at 31 December</b>	
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Due within 1 month or on demand	<b><u>927,982</u></b>	<u>911,636</u>

## **9 DIVIDENDS**

The Board resolved not to declare a final dividend for the year ended 31 December 2024 (2023: Nil).

## **BUSINESS REVIEW**

### **Market Review and Outlook**

Looking back at 2024, SOHO China has experienced a year filled with challenges. In 2024, our most outstanding achievement had been maintaining stability despite the real estate industry taking a downward turn. This seemingly subtle achievement of “stability” in operations is the result of consistent hard work and collaborative efforts across our team.

The occupancy rate of office building is a barometer of economic environment. In 2024, “Price For Volume” had set the main theme for office building leasing market and witnessed a continuing decline in rent level. The vacancy rates for Grade A office buildings in Beijing and Shanghai have climbed to their highest levels in recent years, and market competition has also become unprecedentedly intense. Under these challenging market conditions, the Company made prompt adjustment in leasing strategy and stabilized the overall occupancy at 78% at the end of 2024, averting a crisis of large-scale office vacancy on office buildings and wasted resources, and laying a solid foundation for the Company’s steady development going forward.

Upon the establishment of the Company in 1995, SOHO China was founded with the guiding principles of “Honesty, Unity, Innovation”, and the Company has adhered to these principles during good times and bad. Over the past 30 years, the Company has taken pride in conducting business with sincerity, honesty, and transparency, which in turn has also granted us the supports from our shareholders, tenants, suppliers and various commercial partners.

Nowadays, artificial intelligence is poised to bring about unprecedented changes to the world as we know it. The emergence of artificial intelligence is no longer limited to empowering tools, but about empowering humanity with wisdom and creativity. Over the past year, learning has become an important means for the Company and every employee to make progress together.. In 2024, SOHO China has organized more than 2,200 artificial intelligence training sessions, with over 35,000 participants.

In the new year, we embrace honesty, unity and innovative wisdom as we steadily take each step forward to create value in our daily service. In the new year, may the ordinary people gain joy, may the loving embrace light, may the tenacious become stronger, and may the kind-hearted receive warmth. Let’s go hand in hand to inject more strength and hope into this challenging time.

## **Rental Portfolio and Major Projects**

### ***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 522,272 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 attributable to the Group is approximately 51,889 sq.m. of retail area. 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 156,485 sq.m., and a total leasable GFA of approximately 135,637 sq.m.. The project was completed in December 2019.

### ***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 146,692 sq.m. and a total leasable GFA of approximately 112,541 sq.m.. The project was completed in January 2019.

## **FINANCIAL REVIEW**

### **Revenue**

Despite the office and retail property leasing markets are under continuing pressure due to weak macro-economic environment, the Group has achieved revenue of approximately RMB1,540 million for the Year, representing a decrease of approximately 8% as compared with approximately RMB1,679 million in 2023.

### **Profitability**

Gross profit for the Year was approximately RMB1,280 million, representing a decrease of approximately 7% as compared with approximately RMB1,379 million in 2023.

Gross profit margin was approximately 83% for the Year, as compared with approximately 82% in 2023.

### **Cost control**

The Group continuously implemented effective cost control measures during the Year. Selling expenses for the Year were approximately RMB32 million, as compared with approximately RMB33 million in 2023. Administrative expenses for the Year were approximately RMB96 million, as compared with approximately RMB136 million in 2023.

### **Finance income and expenses**

Finance income for the Year was approximately RMB5 million, representing a decrease of approximately RMB7 million as compared with approximately RMB12 million in 2023.

Finance expenses for the Year were approximately RMB722 million, representing a decrease of approximately RMB56 million as compared with approximately RMB778 million in 2023.

### **Income tax expense**

Income tax expense for the Year was approximately RMB180 million, representing a decrease of approximately RMB46 million as compared with approximately RMB226 million in 2023.

Income tax of the Group was composed of PRC corporate income tax, LAT and deferred income tax. PRC corporate income tax for the Year was approximately RMB54 million, as compared with approximately RMB56 million in the same period of 2023. LAT for the Year was approximately RMB56 million, as compared with RMB35 million in 2023. Deferred income tax for the Year was approximately RMB70 million, as compared with approximately RMB135 million in 2023.

### **Bank borrowings, other borrowings and collaterals**

As at 31 December 2024, total borrowings of the Group were approximately RMB15,556 million. As at 31 December 2024, borrowings of the Group of approximately RMB15,208 million were collateralized by the Group's investment properties.

### **Risks of foreign exchange fluctuation and interest rate**

As at 31 December 2024, offshore borrowings of the Group were approximately RMB348 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). In the meantime, the Company's average funding cost remained relatively low at approximately 4.3% as at 31 December 2024 (31 December 2023: approximately 4.7%). During the Year, 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 31 December 2024, the total amount of the mortgage loans guaranteed by the Group relating to such agreements was approximately RMB3 million (31 December 2023: approximately RMB8 million).

### **Capital commitment**

As at 31 December 2024, the Group's total capital commitment was approximately RMB8 million (31 December 2023: approximately RMB2 million).

## **Employees and remuneration policy**

As at 31 December 2024, the Group had 1,650 employees, including 1,467 employees for the property management company.

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 real estate development, property leasing and related services management businesses. There were no significant changes in the nature of the Group's principal activities during the Year.

### **Dividends**

The Board resolved not to declare a final dividend for the Year (2023: Nil).

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting to be held on Friday, 23 May 2025, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company 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 for registration no later than 4:30 p.m. on Monday, 19 May 2025.

### **Share capital**

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



## **Purchase, sale or redemption of listed securities of the Company**

As at 31 December 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 Year.

## **Events after the reporting period**

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

## **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 C3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") 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 Year.

## **Audit Committee**

The audit committee of the Company had reviewed the audited consolidated annual results of the Company for the year ended 31 December 2024 which had been agreed with the auditor of the Company, namely Grant Thornton Hong Kong Limited ("**Grant Thornton**"), and considered that the Company had complied with all applicable accounting standards and requirements and had made adequate disclosure.

## **SCOPE OF WORK OF AUDITORS**

The financial figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been compared by the Group's external auditor, Grant Thornton, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Grant Thornton in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton on this announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

The following is an extract of the independent auditor's report on the Company's consolidated financial statements for the year ended 31 December 2024. The report includes particulars of the material uncertainty related to going concern without qualified opinion:

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2.1(a) to the consolidated financial statements which indicates that as at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB7,954 million. At the same date, the Group's total bank and other borrowings amounted to RMB15,556 million. As stated in Note 2.1(a), these conditions, along with other matters as set forth in Note 2.1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Publication of results announcement**

This annual results announcement is available for viewing on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.sohochina.com](http://www.sohochina.com).

By order of the Board  
**SOHO China Limited**  
**Xu Jin**  
*Chairman*

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive Directors are Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Xu Jin and Mr. Qian Ting; and the independent non-executive Directors are Mr. Huang Jingsheng, Mr. Xiong Ming Hua and Mr. Zhang Mingeng.*