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 2011

- Achieved net profit attributable to equity shareholders of the Company of RMB3,892 million, increased by 7% year over year

- Achieved turnover of RMB5,685 million, decreased by 69% year over year

- Achieved core net profit (excluding valuation gains on investment property) of RMB1,422 million, decreased by 60% year over year, mainly because no property developed by the Group for sale was completed during the Period and only part of Tiananmen South (Qianmen) project Phase II, an investment property, was completed during the Period

- Core net profit margin in 2011 was 25%, higher than that of 19% in 2010

- Acquisitions in 2011 were all located in prime locations in Shanghai and amounted to RMB15,382 million, increased by 149% from RMB6,179 million in 2010

- As at 31 December 2011, the Group had total cash and bank deposit of RMB15,711 million. Ratio of net debt to total equity contributable to shareholders of the Company was -10% and the Group was at net cash position

- Recommended final dividend of RMB0.11 per share, interim dividend paid was RMB0.14 per share and full year dividend is expected to be RMB0.25 per share

The board of directors (the "Board") of SOHO China Limited (the "Company" 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 2011 (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 2011 audited consolidated annual results of the Group had been reviewed by the audit committee of the Company and approved by the Board on 14 March 2012.

For the year ended 31 December 2011, the Group achieved a turnover of RMB5,685 million (decreased by 69% year over year), a gross profit of RMB2,731 million and a gross profit margin of 48%. Net profit attributable to equity shareholders of the Company was RMB3,892 million, increased by 7% year over year. Core net profit (excluding valuation gains on investment properties) was RMB1,422 million, decreased by 60% year over year. The core net profit margin was 25%. The main reason for the decrease in turnover and core net profit was that during the Period only part of Tiananmen South (Qianmen) project Phase II, an investment property of the Company, was completed and the area available for booking declined year over year.

The Board recommended the payment of a final dividend of RMB0.11 per share for the year ended 31 December 2011 which is subject to shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") to be held on Friday, 18 May 2012.

Consolidated income statement
for the year ended 31 December 2011

	Note	**2011**	**2010**
		RMB'000	*RMB'000*
Turnover	3	5,684,822	18,215,091
Cost of properties sold		(2,954,246)	(8,958,349)
Gross profit		2,730,576	9,256,742
Valuation gains on investment properties		4,027,445	165,000
Other revenue and income		276,142	207,438
Selling expenses		(237,661)	(547,437)
Administrative expenses		(210,511)	(204,776)
Other operating expenses		(134,097)	(153,132)
Profit from operations		6,451,894	8,723,835
Financial income	4(a)	559,453	224,394
Financial expenses	4(a)	(350,752)	(292,351)
Government grants	5	201,285	44,190
Profit before taxation	4	6,861,880	8,700,068
Income tax	6	(2,375,458)	(4,928,485)
Profit for the year		4,486,422	3,771,583
Attributable to:			
Equity shareholders of the Company		3,892,308	3,636,156
Non-controlling interests		594,114	135,427
Profit for the year		4,486,422	3,771,583
Earnings per share (RMB)	7		
Basic		0.751	0.701
Diluted		0.716	0.673

Consolidated balance sheet at 31 December 2011

	Note	**2011**	**2010**
		RMB'000	*RMB'000*
Non-current assets			
Investment properties		13,334,500	3,085,000
Property and equipment		688,140	554,161
Bank deposits		1,222,115	3,840,915
Interest in jointly controlled entity		–	1,211,900
Deferred tax assets		901,918	1,019,420
Total non-current assets		16,146,673	9,711,396
Current assets			
Properties under development and completed properties held for sale		23,428,529	18,697,483
Deposits and prepayments		5,066,025	1,006,408
Trade and other receivables	8	549,471	790,224
Bank deposits		2,582,919	–
Cash and cash equivalents		11,906,157	17,724,921
Total current assets		43,533,101	38,219,036
Current liabilities			
Bank loans		2,214,593	2,580,744
Sales deposits		13,198,710	6,720,091
Trade and other payables	9	1,949,503	2,586,354
Taxation		5,681,681	6,966,710
Total current liabilities		23,044,487	18,853,899
Net current assets		20,488,614	19,365,137
Total assets less current liabilities		36,635,287	29,076,533

Consolidated balance sheet at 31 December 2011 (continued)

	Note	**2011**	**2010**
		RMB'000	*RMB'000*
Non-current liabilities			
Bank loans		9,422,836	6,052,171
Convertible bonds		1,986,897	1,984,828
Contract retention payables		276,677	273,732
Deferred tax liabilities		1,731,255	786,434
Total non-current liabilities		13,417,665	9,097,165
NET ASSETS		23,217,622	19,979,368
CAPITAL AND RESERVES			
Share capital	10	107,502	107,485
Reserves		21,615,261	19,135,247
Total equity attributable to equity shareholders of the Company		21,722,763	19,242,732
Non-controlling interests		1,494,859	736,636
TOTAL EQUITY		23,217,622	19,979,368

1 Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries.

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.

2 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, HKAS 24 (revised 2009), Related party disclosures and Improvements to HKFRSs (2010) are relevant to the Group's financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The impacts of these developments are discussed below:

– HKAS 24 (revised 2009) revises the definition of a related party. As a result, the Group has re-assessed the identification of related parties and concluded that the revised definition does not have any material impact on the Group's related party disclosures in the current and previous periods. HKAS 24 (revised 2009) also introduces modified disclosure requirements for government-related entities. This does not impact the Group because the Group is not a government-related entity.

– Improvements to HKFRSs (2010) omnibus standard introduces a number of amendments to the disclosure requirements in HKFRS 7, Financial instruments: Disclosures. The disclosures about the Group's financial instruments in the financial statements have been conformed to the amended disclosure requirements. These amendments do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements in the current and previous periods.

3 Turnover and segment reporting

(a) Turnover

The principal activities of the Group are property development and property investments. Turnover represents revenue from the sale of property units and rental income from investment properties, net of business tax, analysed as follows:

	2011	**2010**
	RMB'000	*RMB'000*
Sale of property units	5,593,729	18,105,453
Rental income from investment properties	91,093	109,638
	5,684,822	18,215,091

(b) Segment reporting

The Group manages its businesses based on development status of current projects, which are divided into completed projects held for sale, completed investment properties and projects under development. 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 three reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Completed projects held for sale

This segment includes projects which have been completed and the Group has obtained completion certificates for those projects.

(ii) Completed investment properties

This segment includes one project which has been completed and is held to earn rental income.

(iii) Projects under development

This segment includes projects which are under development.

(c) 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 sales 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.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Management is provided with segment information concerning turnover, cost of properties sold, gross profit, valuation gain on investment properties, net operating expenses, financial income, financial expenses, government grants, 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 resources allocation and assessment of segment performance for the years ended 31 December 2011 and 2010 is set out below:

	Completed projects held for sale		Completed investment properties		Projects under development		Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Income statement items								
Reportable segment revenue	5,593,729	18,105,453	91,093	109,638	–	–	5,684,822	18,215,091
Cost of properties sold	(2,954,246)	(8,958,349)	–	–	–	–	(2,954,246)	(8,958,349)
Reportable segment gross profit	2,639,483	9,147,104	91,093	109,638	–	–	2,730,576	9,256,742
Valuation gain on investment properties	–	–	1,585,793	165,000	2,579,522	–	4,165,315	165,000
Operating income/(expenses), net	41,464	(537,016)	(18,061)	(12,524)	(51,315)	31,818	(27,912)	(517,722)
Financial income	333,535	110,226	1,288	439	150,966	40,304	485,789	150,969
Financial expenses	(126,539)	(89,901)	(76,089)	(35,021)	(93,689)	(1,121)	(296,317)	(126,043)
Government grants	192,305	43,584	7,966	606	1,014	–	201,285	44,190
Reportable segment profit before taxation	3,080,248	8,673,997	1,591,990	228,138	2,586,498	71,001	7,258,736	8,973,136
Income tax	(1,422,067)	(4,607,237)	(397,997)	(58,337)	(660,597)	(27,277)	(2,480,661)	(4,692,851)
Reportable segment profit	1,658,181	4,066,760	1,193,993	169,801	1,925,901	43,724	4,778,075	4,280,285
Balance sheet items								
Investment properties	–	–	5,332,500	3,085,000	8,002,000	–	13,334,500	3,085,000
Properties under development and completed properties held for sale	5,718,209	4,310,400	–	–	18,021,736	14,551,698	23,739,945	18,862,098
Cash and cash equivalents	8,873,968	9,133,533	16,955	126,202	1,648,841	7,628,566	10,539,764	16,888,301
Bank deposits	818,266	3,475,864	–	–	2,838,133	365,051	3,656,399	3,840,915
Bank loans	1,500,000	1,800,000	925,000	925,000	2,800,000	1,900,000	5,225,000	4,625,000
Reportable segment assets (including investment in joint ventures)	32,833,720	27,924,091	5,542,011	4,140,916	43,685,066	31,922,348	82,060,797	63,987,355
Reportable segment liabilities	18,906,954	24,522,362	2,281,378	2,266,774	35,613,848	15,462,439	56,802,180	42,251,575
Additions to investment properties and property and equipment	51,448	6,106	469,207	–	2,849,853	50	3,370,508	6,156

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

	2011	2010
	RMB'000	*RMB'000*
Valuation gains on investment properties		
Reportable valuation gains on investment properties	4,165,315	–
Adjustment for expenses capitalised in preparing the consolidated financial statements	(137,870)	–
Consolidated valuation gains on investment properties	4,027,445	–
Profit		
Reportable segment profit	4,778,075	4,280,285
Elimination of intra-group profit	(23,810)	(31,809)
Unallocated head office and corporate expenses	(267,843)	(476,893)
Consolidated profit	4,486,422	3,771,583
Properties under development and completed properties held for sale		
Reportable segment properties under development and completed properties held for sale	23,739,945	18,862,098
Elimination of intra-group transactions	(311,416)	(164,615)
Consolidated properties under development and completed properties held for sale	23,428,529	18,697,483
Bank deposits		
Reportable segment bank deposits	3,656,399	3,840,915
Unallocated head office and corporate bank deposits	148,635	–
Consolidated bank deposits	3,805,034	3,840,915
Cash and cash equivalents		
Reportable segment cash and cash equivalents	10,539,764	16,888,301
Unallocated head office and corporate cash and cash equivalents	1,366,393	836,620
Consolidated cash and cash equivalents	11,906,157	17,724,921

	2011	2010
	RMB'000	*RMB'000*
Bank loans		
Reportable segment bank loans	5,225,000	4,625,000
Unallocated head office and corporate bank loans	6,412,429	4,007,915
Consolidated bank loans	11,637,429	8,632,915
Assets		
Reportable segment assets	82,060,797	63,987,355
Elimination of intra-group balances	(28,638,995)	(21,019,059)
Unallocated head office and corporate assets	6,257,972	4,962,136
Consolidated total assets	59,679,774	47,930,432
Liabilities		
Reportable segment liabilities	56,802,180	42,251,575
Elimination of intra-group balances	(28,444,034)	(20,915,600)
Unallocated head office and corporate liabilities	8,104,006	6,615,089
Consolidated total liabilities	36,462,152	27,951,064

4 Profit before taxation

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

(a) Financial income and financial expenses

	2011	2010
	RMB'000	*RMB'000*
Financial income		
Interest income	(425,127)	(153,707)
Net foreign exchange gain	(69,254)	(70,687)
Net gain on settlement of financial assets at fair value through profit or loss:		
Held for trading	(65,072)	–
	(559,453)	(224,394)

	2011	2010
	RMB'000	*RMB'000*
Financial expenses		
Interest on bank loans wholly repayable within five years	538,062	356,363
Interest on bank loans wholly repayable above five years	57,961	34,134
Interest expenses on the Convertible Bonds	185,290	185,511
Less: Interest expense capitalised into properties under development	(451,614)	(310,094)
	329,699	265,914
Bank charges and others	21,053	26,437
	350,752	292,351

(b) Staff costs

	2011	2010
	RMB'000	*RMB'000*
Salaries, wages and other benefits	193,937	178,122
Contributions to defined contribution retirement plan	13,122	10,852
Equity-settled share-based payment expenses	1,579	1,455
	208,638	190,429

(c) Other items

	2011	2010
	RMB'000	*RMB'000*
Depreciation	19,323	18,302

5 Government grants

The Group received total government grants of RMB201,285,000 (2010: RMB44,190,000) in relation to certain completed projects from the Finance Bureau of Dongcheng District of Beijing and the Financial Bureau of Jingan District of Shanghai pursuant to the regulations issued by the respective local governments.

6 Income tax

	2011	2010
	RMB'000	*RMB'000*
PRC Corporate Income Tax		
– Provision for the year	485,418	2,143,577
– Under-provision in respect of prior years	27,815	24,231
Land Appreciation Tax	822,163	3,025,314
Deferred tax	1,040,062	(264,637)
	2,375,458	4,928,485

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.

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 ranged from 24% to 25% (2010: 22% to 25%).

In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is levied at the properties developed by the Group for sale in the PRC. Land Appreciation Tax is charged on the appreciated amount at progressive rates ranged from 30% to 60%.

According to the Implementation Rules of the Corporate Income Tax Law of the 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.

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 RMB3,892,308,000 (2010: RMB3,636,156,000) and the weighted average of 5,185,179,000 ordinary shares (2010: 5,185,447,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	Note	**2011**	**2010**
		'000	*'000*
Issued ordinary shares at 1 January		5,187,657	5,187,657
Effect of share options exercised	10(a)	658	–
Effect of treasury shares	10(b)	(3,136)	(2,210)
Weighted average number of ordinary shares during the year		5,185,179	5,185,447

(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 RMB4,077,598,000 (2010: RMB3,821,667,000) and the weighted average number of ordinary shares of 5,696,893,000 shares (2010: 5,675,558,000), calculated as follows:

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

	2011	**2010**
	RMB'000	*RMB'000*
Profit attributable to ordinary equity shareholders	3,892,308	3,636,156
After tax effect of effective interest on the liability component of the Convertible Bonds	185,290	185,511
Profit attributable to ordinary equity shareholders (diluted)	4,077,598	3,821,667

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

	2011	2010
	'000	*'000*
Weighted average number of ordinary shares	5,185,179	5,185,447
Effect of conversion of the Convertible Bonds	510,646	489,724
Effect of deemed issue of shares under the employee's share option schemes	470	387
Effect of vesting of the Awarded Shares	598	–
Weighted average number of ordinary shares (diluted)	5,696,893	5,675,558

8 Trade and other receivables

	Note	2011	2010
		RMB'000	*RMB'000*
Trade receivables	(i)	161,162	360,211
Other receivables		389,861	433,876
Less: allowance for doubtful debts		(1,552)	(3,863)
		549,471	790,224

Note:

(i) The ageing analysis of trade receivables are as follows:

	2011	2010
	RMB'000	*RMB'000*
Current	47,380	291,972
Less than 1 month past due	33,189	3
1 to 6 months past due	1,000	6,400
6 months to 1 year past due	16,960	852
More than 1 year past due	62,633	60,984
Amounts past due	113,782	68,239
	161,162	360,211

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. The Group would not release the property ownership certificates to the buyers before the buyers finally settle the selling price.

9 Trade and other payables

	Note	2011	2010
		RMB'000	*RMB'000*
Accrued expenditure on land and construction	(i)	774,648	806,709
Consideration payable for acquisition of subsidiaries and jointly controlled entity		71,318	621,461
Amounts due to related parties		327,308	350,628
Others		569,946	605,870
Financial liabilities measured at amortised costs		1,743,220	2,384,668
Other taxes payable		206,283	201,686
		1,949,503	2,586,354

Notes:

(i) The ageing analysis of accrued expenditure on land and construction is as follows:

	2011	2010
	RMB'000	*RMB'000*
Due within 1 month or on demand	236,604	134,318
Due after 1 month but within 3 months	538,044	672,391
	774,648	806,709

10 Share capital and treasury shares

(a) Share capital

	2011		2010	
	No. of shares *('000)*	**Share capital** *RMB'000*	**No. of shares** *('000)*	**Share capital** *RMB'000*
Authorised:				
Ordinary shares of HKD0.02 each	7,500,000		7,500,000	
Issued and fully paid:				
At 1 January	5,187,657	107,485	5,187,657	107,485
Shares issued under the employees' share option schemes	999	17	–	–
At 31 December	5,188,656	107,502	5,187,657	107,485

During the year ended 31 December 2011, options were exercised to subscribe for 999,000 ordinary shares of the Company at consideration of HKD5,960,000 of which HKD20,000 was credited to share capital and the balance of HKD5,940,000 was credited to the share premium. HKD1,857,000 has been transferred from capital reserve to share premium.

(b) Treasury shares

	2011		2010	
	No. of shares *('000)*	**Treasury shares** *RMB'000*	**No. of shares** *('000)*	**Treasury shares** *RMB'000*
At 1 January	2,210	8,775	2,210	8,775
Purchase of treasury shares	4,383	17,525	–	–
At 31 December	6,593	26,300	2,210	8,775

During the year ended 31 December 2011, a subsidiary of the Group purchased 4,383,000 shares of the Company on The Stock Exchange of Hong Kong Limited, at a total consideration of HKD21,539,000, for the employees' share award scheme launched on 23 December 2010.

Details of treasury shares purchased during the year ended 31 December 2011 are as follows:

Month/year	**Number of shares purchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
		HKD	*HKD*	*HKD'000*
September 2011	232,000	4.99	4.99	1,157
October 2011	3,113,000	5.09	4.75	15,194
November 2011	1,038,000	5.01	4.98	5,188
	4,383,000			21,539

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

Exercise period	**Exercise price**	**2011** *Number*	**2010** *Number*
8 October 2008 to 7 October 2013	HKD8.30	6,854,340	8,405,280
30 January 2009 to 29 January 2014	HKD6.10	3,129,000	4,712,000
30 June 2009 to 29 June 2014	HKD4.25	470,000	580,000
		10,453,340	13,697,280

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

11 Dividends

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

	2011	2010
	RMB'000	*RMB'000*
Interim dividend declared and paid of RMB0.14 per ordinary share (2010: RMB0.12 per ordinary share)	726,412	622,519
Final dividend proposed after the balance sheet date of RMB0.11 per ordinary share (2010: RMB0.14 per ordinary share)	570,752	726,272
	1,297,164	1,348,791

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

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

	2011	2010
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.14 per ordinary share (2010: RMB0.20 per ordinary share)	726,359	1,037,531

BUSINESS REVIEW AND MARKET OUTLOOK

During 2011, China's real estate industry experienced unprecedented challenges and tests. Starting from January, a series of tightening policies were implemented. In particular, policies aiming to restrict purchases and prices extended from first-tier cities to more than 40 cities throughout the country. To further curb the currency liquidity, the People's Bank of China raised the reserve requirement ratio (RRR) six times in a row and the RMB benchmark deposit and loan interest rates of financial institutions three times during the Year. The accumulative effects of various control policies became obvious and the transaction volume of properties dropped substantially during the second half of the Year. According to the figures announced by the China Real Estate Information Corporation, as compared with the same period in 2010, the overall transaction volume of real estate market of first-tier cities decreased by approximately 19.49% and the overall transaction volume of real estate market of the second-tier cities dropped by approximately 18.01% in 2011. This further tightened the capital of developers.

Under this stern condition, the Group witnessed that there were more companies starting to sell their high-quality assets in the market. These high-quality assets, including land and completed commercial properties, provided ample opportunities for the Group to enrich its land reserve. 2011 was a year of harvest for SOHO China. Supported by the prudent financial principles and healthy capital position, the Group had accomplished acquisitions with total amount exceeding RMB15 billion during the Period, marking a record high annual acquisition amount. The new land and projects acquired during the Year were all concentrated in superior locations with convenient transportation in Shanghai. Within merely 2 years, the Group has obtained 10 projects in Shanghai, including 2 in the prime precincts on the Bund. Thanks to these two prime properties, SOHO China will become the largest landlord on the Bund of Shanghai. Currently, the Group has accomplished balanced development between Beijing and Shanghai, and laid down solid foundation for further expansions in these areas. The successful expansion of SOHO China is not mere coincidence with more availability of land and projects resulting from market liquidity crunch; it is, to a larger extent, attributable to the Group's long-held stable and healthy financial principles and prudent acquisition strategies, which have kept the Group ready to seize any favorable opportunities.

Highly appreciated by the capital market, the Group successfully secured a syndicated loan amounting to US$605 million at a relatively low cost from 11 banks in mid-2011, while most developers worried about their capital conditions and funding channels. The abundant capital provided strong and solid support to the Group for future acquisitions, development and operations.

In regard to property sales, the Group achieved a total contract sales amount of approximately RMB10.9 billion in 2011. Though the commercial sector was not touched by any curbing measures applied to the residential sector, the Group did not have any new available-for-sale properties in the first half of the Year. There were three new projects launched in the second half of 2011, among which Danling SOHO was launched in July, with approximately 91% of the total area being sold out on the opening day and all offices were sold out, clinching sales of approximately RMB1.45 billion. Wangjing SOHO was launched in August with sales amounting to RMB2.6 billion within a week. Nevertheless, entering September, the market liquidity began to shrink, which affected the Group's sales.

On the other hand, the Group has observed that demand for commercial properties in Beijing and Shanghai is very strong. According to the market data released by CB Richard Ellis, for the fourth quarter of 2011, the rent of prime offices in Beijing and Shanghai increased by approximately 50.8% and 16.9%, respectively year on year, recording a historical high rental level. Occupancy rate also surged at the same time with certain offices located in prime locations in Beijing and Shanghai nearly fully rented. The sizzling rental market once again proved that the value of commercial properties was well recognized by the market. Notwithstanding such huge demand, market supply was still limited, especially the supply for strata titled commercial properties.

The Group believes that once the liquidity loosens or market regains its confidence, the sales of commercial properties will quickly return, driven by the demand for commercial properties. Although the market liquidity remains tight, the Group anticipates that the situation will improve within this year. The Group has strong confidence in 2012 contract sales and is more prepared. Unlike in 2011, the Company is well equipped with sales projects in 2012. Currently, the total saleable amount of the projects is approximately RMB24 billion, and in the second half of 2012, the Group expects to obtain sale permits for another two projects (namely, Sky SOHO and SOHO Century Plaza), and the total saleable property amount for 2012 is expected to exceed RMB30 billion.

The Group believes that there will be more acquisition opportunities in 2012. The Group will continue to focus on the best commercial opportunities in Beijing, Shanghai and other first-tier cities. With RMB15.7 billion capital in hand and with SOHO China's net cash position, SOHO China is still the only serious buyer.

The Company's acquisition target for 2012 is RMB10 billion and the Group will adhere to its existing business model, make due and careful choices and continue to acquire assets with high quality to increase the value of the Company.

BUSINESS REVIEW

Contract sales

During 2011, the Group achieved a total contract sales amount of approximately RMB10,913 million. Contract sales area was 183,827 square meters (not including car parks), and the average selling price was approximately RMB58,649 per square meter.

The Group's 2011 contract sales amount was mainly generated from the following projects: Wangjing SOHO, Galaxy SOHO, SOHO Zhongshan Plaza, Danling SOHO and The Exchange-SOHO.

Project	**Contract sales amount during the Period**	**Contract sales area* during the Period**	**Average price* during the Period**	**Total sellable area ***	**Aggregate percentage of sellable area sold* by 31 December 2011**	**Aggregate contract sales amount by 31 December 2011**
	(RMB'000)	*(sq.m.)*	*(RMB/sq.m.)*	*(sq.m.)*		*(RMB'000)*
Wangjing SOHO	4,679,041	87,656	52,938	406,777	22%	4,679,041
Galaxy SOHO	2,290,057	23,814	95,261	258,401	90%	16,927,482
SOHO Zhongshan Plaza	1,657,575	33,067	48,957	112,864	29%	1,657,575
Danling SOHO	1,452,442	28,801	49,563	31,601	91%	1,452,442
The Exchange-SOHO	471,243	7,414	63,565	71,671	93%	4,287,369
Others	362,814	3,075				
Total	**10,913,172**	**183,827**	**58,649**			

* *Total sellable area, contract sales area and average price exclude that of car parks and storages in the projects.*

Properties under development

During the Period, construction of part of Tiananmen South (Qianmen) project Phase II was completed. The Company acquired projects amounting to over RMB15 billion in 2011. All of these acquired commercial projects/land parcels are located in prime locations in Shanghai.

As at 31 December 2011, major properties under development were as follows, among which the majority of Tiananmen South (Qianmen) project, a project held as investment properties, was completed and leased out:

	Project	Location	Type	Gross Floor Area ("GFA")*	Group Interest
				(sq.m.)	*(%)*
Current Projects	Galaxy SOHO	Beijing	Office, retail	330,000	100%
	Wangjing SOHO	Beijing	Office, retail	520,000	100%
	Guanghualu SOHO II	Beijing	Office, retail	167,000	100%
	Tiananmen South (Qianmen)	Beijing	Retail	55,000	100%
	Sky SOHO	Shanghai	Office, retail	350,000	100%
	Bund SOHO	Shanghai	Office, retail	189,000	61.51%
	SOHO Fuxing Plaza	Shanghai	Office, retail	137,000	80%**
New acquisitions	SOHO Jing'an Plaza	Shanghai	Office, retail, residential	81,000	100%***
	SOHO Hailun Plaza	Shanghai	Office, retail	152,000	100%
	SOHO Zhongshan Plaza	Shanghai	Office, retail	142,000	100%
	Hongkou SOHO	Shanghai	Office, retail	97,000	100%
	SOHO Century Plaza	Shanghai	Office, retail	59,000	100%
	The Bund 8-1 Land	Shanghai	Office, retail	423,000	50%
Total				**2,702,000**	

* *Total planned gross floor area.*

** *The Group plans to acquire the remaining 20% equity interest from the vendor at the same consideration calculated under the relevant cooperation framework agreement.*

*** *Pursuant to the acquisition agreement, the Group will acquire the land use right of SOHO Jing'an Plaza and the construction-in-progress of the project upon satisfaction of the legal and regulatory conditions for the transfer of construction-in-progress of the project.*

Major projects

Galaxy SOHO

Galaxy SOHO has a total GFA of approximately 330,000 square meters. Designed by Zaha Hadid Architects, Galaxy SOHO will become an iconic commercial development within the East Second Ring Road of Beijing.

The Company launched the pre-sale of Galaxy SOHO on 26 June 2010. As at 31 December 2011, approximately 90% of sellable area (excluding car parks) was sold with average selling price for office and retail area of approximately RMB63,673 per square meter and RMB86,182 per square meter, respectively. By the end of the Period, a total contract sales amount of approximately RMB16,927 million was achieved. The project is now under construction and the superstructure has been completed. The whole project is expected to be completed in 2012.

Wangjing SOHO

Wangjing SOHO is to be developed into large-scale retail and office properties of a total GFA of approximately 520,000 square meters. Wangjing area is Beijing's most matured high-end residential area, which is noticeably lacking in large-scale office and commercial facilities. The development of Wangjing SOHO will complete and add balance to the overall urban master plan for Wangjing area. This development, zoned to stand 200 meters high, will be the first landmark and point of access to central Beijing from the airport expressway. Wangjing area is also home to China headquarters of many multinational companies, including Daimler, Siemens, Microsoft, and Caterpillar whose headquarters are situated near the project.

Wangjing SOHO is designed by Zaha Hardid Architects. The construction work has commenced. On 25 June 2011, the sales centre of Wangjing SOHO was open to the public. The pre-sale of Wangjing SOHO was launched on 20 August 2011. As at 31 December 2011, the project achieved contract sales amount of approximately RMB4,679 million, with the average selling price for office and retail area of about RMB49,354 per square meter and RMB86,748 per square meter, respectively.

Guanghualu SOHO II

Guanghualu SOHO II is located in the heart of the Beijing Central Business District, opposite the Guanghualu SOHO project. The total planned GFA is approximately 167,000 square meters. The underground construction of the project has been completed.

Tiananmen South (Qianmen)

The project is located at Qianmen Avenue and the area east to the avenue, right on the south of Tiananmen Square. The Group has the right to retail space of approximately 54,691 square meters. Phase I of approximately 22,763 square meters is fully built and is located on Qianmen Avenue. Phase II of approximately 31,928 square meters, of which approximately 14,084 square meters has already been completed, is located on the east side of Qianmen Avenue. It is expected that Phase II will be fully completed in 2012.

The Group intends to keep the entire Tiananmen South project as investment properties. The completed area has been in leasing operation, with an occupancy rate of approximately 74%.

Sky SOHO

Sky SOHO (formerly known as Hongqiao SOHO) has a site area of 86,164 square meters with a planned total above ground GFA of 215,410 square meters. The total GFA will be approximately 350,000 square meters. The project is situated at Shanghai Hongqiao Linkong Economic Zone and is right next to the Shanghai Hongqiao transportation hub, which, being the convergence point of modern means of transportation such as airplane, high speed railway and subway, is the world's largest transportation hub and currently Shanghai's most vibrant area. It is connected to the most affluent cities of the Yangtze River Delta within about half an hour, making the Shanghai Hongqiao transportation hub and its nearby areas an area with the highest development potential in China.

The project has already commenced construction.

Bund SOHO

Formerly known as SOHO on the Bund, the project has a total site area of approximately 22,462 square meters, with a planned GFA of approximately 189,000 square meters. The Group acquired 90% interests of T&T International Investment Corporation ("T&T International"), the major shareholder of the project company, at a total consideration of RMB2,250 million, and consequently holds 61.506% interest of the project company. T&T International is entitled to a total planned GFA of approximately 132,000 square meters, including 65,000 square meters of above ground office and retail areas and 17,000 square meters of underground retail area.

Bund SOHO is framed by Yong'an Road to the east, Xin Yong'an Road to the south, East Second Zhong Shan Road to the west, and Xinkaihe Road and Renmin Road to the north. On the treasured premium strip of the Bund, right next to Shanghai's most famous City God Temple, and beside the Bund's multi-dimensional transportation hub and yacht pier, the project location possesses a highly developed and lively commercial atmosphere.

The planning and design work was completed, and the construction has already commenced.

The Group plans to keep the property as investment properties.

SOHO Fuxing Plaza

On 12 October 2010, the Group acquired 48.4761% equity interest of the project company holding SOHO Fuxing Plaza (formerly known as Fuxinglu SOHO) at a consideration of approximately RMB1.21 billion. In March 2011, the Group made further acquisition and increased its equity interest held in the project company to 80%. The Group plans to acquire the remaining 20% equity interest from the vendor at the same consideration calculated under the relevant cooperation framework agreement. SOHO Fuxinglu 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 (under construction). It is right next to Shanghai Xintiandi that has the most lively commercial atmosphere. The land is for commercial and office uses, with a total planned GFA of approximately 137,000 square meters.

The project is now under construction. The Group plans to keep the property as investment properties.

Acquisitions of new projects

SOHO Jing'an Plaza

On 31 March 2011, the Group entered into a framework agreement to acquire Caojiadu land in Shanghai, which was renamed as SOHO Jing'an Plaza. The project has a site area of approximately 14,832 square meters for commercial, office and residential uses. Its total planned GFA is about 81,000 square meters, including an above ground GFA of approximately 51,136 square meters.

SOHO Jing'an Plaza is situated next to the Chang Shou Lu commercial street at the Caojiadu commercial area, Jing An District, Shanghai. Surrounded by subway lines 2, 3, 7 and 11 and with the addition of subway lines 13 and 14 in the area in the future, Caojiadu commercial area is another vibrant, popular area for offices, retail and high-end apartments in JingAn District.

The planning and design work has already commenced.

SOHO Hailun Plaza

On 13 April 2011, the Group made a successful bid of RMB2.47 billion for the Hailun Road Station Land, renamed later as SOHO Hailun Plaza, through a public bidding process organised and held by Zhejiang Property Exchange. The site area for SOHO Hailun Plaza is approximately 28,103 square meters and is for retail and office uses. Its total planned GFA is approximately 152,000 square meters, including approximately 112,132 square meters above ground offices and retail area and approximately 39,900 square meters underground retail area and car parks.

SOHO Hailun Plaza is located at subway line 10 Hailun Road Station in Hongkou District, Shanghai, the PRC. Situated in the centre of Hongkou District, it is in close proximity to the Sichuan North Road business district and is only about 2.5 kilometers from the city center, The People's Square, and about six minutes away from Lujiazui Pudong and the Bund. It is the convergence point for subway line 10 and subway line 4. Subway line 10, which is renowned as Shanghai's underground "Golden Corridor", runs through the city centre and the city's major business districts. Subway line 4 is the circle subway line in the city centre that connects Puxi and Pudong.

The planning and design work has commenced.

SOHO Zhongshan Plaza

On 6 May 2011, the Group entered into an acquisition agreement to acquire a commercial project, which was renamed as SOHO Zhongshan Plaza, in Shanghai at a total consideration of approximately RMB3.2 billion. SOHO Zhongshan Plaza has a site area of approximately 16,176 square meters for mixed retail and office uses. It comprises two buildings with a total GFA of 142,184 square meters, including 100,199 square meters of office area and approximately 12,664 square meters of retail area.

SOHO Zhongshan Plaza is situated at Zhongshan West Road, Changning District, Shanghai. Situated at the heart of Hongqiao commercial district, it is only about 2 kilometers from Xujiahui and Zhongshan Park commercial districts, and about 8 kilometers from the Shanghai Hongqiao transportation hub. SOHO Zhongshan Plaza is easily accessible through a convenient transportation network that is close to Songyuan Road Station on subway line 10 and Hongqiao Road Station on subway lines 3, 4 and 10, and in close proximity to the Zhongshan West Road/Inner Ring highway.

The sale of SOHO Zhongshan Plaza was launched on 14 August 2011, 3 months after the acquisition. As at 31 December 2011, the project achieved contract sales amount of approximately RMB1,658 million, with an average selling price of approximately RMB48,957 per square meter.

Hongkou SOHO

On 31 May 2011, the Group entered into a share transfer and assignment of loan agreement to acquire No.10 land parcel on Hainan Road, Hongkou District in Shanghai, which was renamed as Hongkou SOHO, at a total consideration of approximately RMB1.5 billion. The transaction was completed in July 2011. Hongkou SOHO has an area of approximately 16,427 square meters for retail and office uses. Its saleable GFA is approximately 66,833 square meters, including approximately 60,194 square meters of above ground office area and approximately 6,639 square meters of above ground and underground retail area.

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

The planning and design work was completed and the construction has already commenced.

SOHO Century Plaza

On 5 August 2011, the Group entered into an acquisition agreement to acquire Jia Rui International Plaza, which was renamed as SOHO Century Plaza upon completion of the acquisition. The acquisition comprises the entire building of SOHO Century Plaza (excluding 24th floor and 40 carparks in the basement) which has a total saleable GFA of approximately 42,972 square meters, including approximately 42,540 square meters of above ground GFA for office use and approximately 432 square meters of above ground GFA for retail use.

SOHO Century Plaza is situated at Century Avenue of Pudong district and in Zhu Yuan business area, the project is close to the Lujiazui financial district and 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 walking distance to Pudian Road Station on subway line 4 and within eight minutes 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.

The property is close to completion and is expected to be delivered to the Group in 2012.

The Bund 8-1 Land

On 29 December 2011, the Group announced the entering into of an equity transfer and loan assignment agreement to indirectly acquire 50% equity interest in Shanghai Haizhimen Property Investment Management Co., Ltd.. Upon completion of the acquisition, the Group will be indirectly interested in 50% equity interest of Shanghai Bund 8-1 Land project company. The total consideration is RMB4 billion.

The Bund 8-1 Land has a site area of approximately 45,472 square meters for mixed office, retail, financial, art and culture uses. The project has a total planned GFA of 422,825 square meters, with above ground GFA of approximately 271,529 square meters (of which sellable GFA is 269,968 square meters, including 40,590 square meters of retail space, 190,000 square meters of office space, 30,000 square meters of hotel space and 9,378 square meters of art and culture space) and 151,296 square meters of underground gross floor area (including 51,002 square meters of underground retail space). The rights to the 30,000 square meters of hotel space and 6,000 square meters of underground auxiliary facilities have already been sold to a third party.

The Bund 8-1 Land is located between Yuyuan Garden and the Shiliupu Expo water gate in Shanghai's Huangpu District, and is in close proximity to the Shanghai Bund transportation hub and the Bund SOHO project acquired by the Group in June 2010. Set on the bank of the Huangpu River, the Bund 8-1 Land is endowed with the Huangpu River waterfront scenery and faces Pudong's Global Financial Centre and Jinmao Tower across the river.

The construction of the project has already commenced.

FINANCIAL REVIEW

Property development

Turnover (net of business tax) for 2011 was approximately RMB5,685 million, representing a decrease of approximately RMB12,530 million or approximately 69% as compared with RMB18,215 million in 2010. This was mainly attributable to the decrease in the area booked in 2011, resulting from lower GFA of construction completion. Area booked during the Period was approximately 100,315 square meters (excluding car parks), representing a decrease of approximately 75% compared to approximately 409,106 square meters in 2010. In 2011, average selling price of booked area (excluding car parks) was approximately RMB56,670 per square meter, which is approximately 27% higher than approximately RMB44,524 per square meter in 2010. Turnover for 2011 mainly came from Danling SOHO, The Exchange-SOHO, Sanlitun SOHO, and SOHO Zhongshan Plaza.

Profitability

Gross profit for 2011 was approximately RMB2,731 million, representing a decrease of approximately RMB6,526 million or approximately 71% as compared with approximately RMB9,257 million in 2010. Gross profit margin for 2011 was approximately 48%.

Profit before taxation for 2011 was approximately RMB6,862 million, representing a decrease of approximately RMB1,838 million or approximately 21% as compared with approximately RMB8,700 million in 2010. The decrease in profit before taxation was mainly due to the decrease in gross profit during the Period.

Net profit attributable to the equity shareholders of the Company for 2011 was approximately RMB3,892 million, representing an increase of approximately RMB256 million as compared with approximately RMB3,636 million in 2010. The increase was mainly due to the significant increase of revaluation gains arising from more investment properties recognized during the Period. Core net profit, excluding valuation gains on investment properties, was approximately RMB1,422 million.

Core net profit margin for 2011 was approximately 25% which is higher than that of approximately 19% in 2010.

Cost control

Selling expenses for 2011 was approximately RMB238 million, representing a decrease of approximately RMB310 million or approximately 57% as compared with approximately RMB547 million in 2010. The decrease was mainly the result of decrease in booked area and turnover in 2011.

Administrative expenses for 2011 was approximately RMB211 million, representing an increase of approximately RMB6 million or approximately 2.8% over approximately RMB205 million in 2010. Despite the significant increase of development scale resulting from aggressive expansion in Shanghai during the Period, the administrative expenses of the Company only grew marginally comparing with that of 2010.

Financial income and expense

Financial income for 2011 was approximately RMB559 million, representing an increase of approximately RMB335 million or approximately 149% over approximately RMB224 million in 2010. In spite of decreased cash balance at the end of 2011 comparing with that of 2010, the Company gained significantly more financial income due to better management of cash in hand.

Financial expenses for 2011 was approximately RMB351 million, representing an increase of approximately RMB58 million or approximately 20% over approximately RMB292 million for 2010. The increase in financial expenses was mainly attributable to the interest expenses of new loans borrowed during the Year.

Valuation gains on investment properties

Valuation gains on investment properties for 2011 is approximately RMB4,027 million, which was mainly a result of more investment properties held by the Group during the Period, including properties that are completed and under construction.

Income tax

Income tax of the Group is comprised of the PRC Corporate Income Tax and the Land Appreciation Tax. The PRC Corporate Income Tax for 2011 was approximately RMB1,553 million, representing a decrease of approximately RMB350 million as compared with approximately RMB1,903 million in 2010. Land Appreciation Tax for 2011 was approximately RMB822 million, representing a decrease of approximately RMB2,203 million as compared with approximately RMB3,025 million in 2010. Income tax decreased as a result of decreased profit.

Government grants

The Group received total government grants of approximately RMB201 million in 2011, comparing with approximately RMB44 million in 2010. Such grants were awarded by local government to companies with a certain contribution pursuant to the relevant regulations issued by the respective local governments.

Convertible bonds, bank loans and collaterals

On 22 June 2011, the Company entered into a facility agreement with a syndicate of banks for an up to USD605 million equivalent 3-year transferable term loan facility (the "Syndicated Loan"), bearing interest at a rate being the sum of LIBOR/HIBOR (as the case may be) and an interest margin of 3.55% per annum. The Syndicated Loan was used to finance the general corporate funding requirements of the Group.

On 2 July 2009, the Company issued a five-year HKD2,800 million convertible bonds (the "Convertible Bonds"), bearing interest at a rate of 3.75% per annum. Each bond will be convertible on or after 11 August 2009 up to and including 25 June 2014 into ordinary shares of the Company at an initial conversion price of HKD5.88 per share. As at 31 December 2011, the conversion price was adjusted to HKD5.42 per share as a result of the declaration of the final dividend of 2009, interim dividend of 2010 and final dividend of 2010. As at 31 December 2011, the carrying amounts of liability and equity component of the Convertible Bonds were approximately RMB1,987 million and RMB514 million, respectively.

As at 31 December 2011, the loan balance of the Group was approximately RMB11,637 million, of which approximately RMB2,215 million is due within 1 year or on demand, approximately RMB3,656 million is due after 1 year but within 2 years, approximately RMB5,311 million is due after 2 years but within 5 years and approximately RMB455 million is due after 5 years. As at 31 December 2011, bank loans of approximately RMB11,631 million of the Group were collateralized by the Group's land use rights, properties and restricted bank deposits or guaranteed by shares of certain subsidiaries of the Group.

As at 31 December 2011, the Group had Convertible Bonds and bank loans of approximately RMB13,624 million, equivalent to approximately 22.8% of the total assets (2010: 22.2%). Net debt (bank loans + Convertible Bonds – cash and cash equivalents and bank deposits) to equity ratio was -10% (2010: -57%).

Contingent liabilities

As at 31 December 2011, the Group has entered into agreements with certain banks to provide guarantees in respect to mortgage loans provided to buyers of property units. The amount of guaranteed mortgage loans relating to such agreements was approximately RMB4,776 million as at 31 December 2011 (approximately RMB6,587 million as at 31 December 2010).

Capital commitment

As at 31 December 2011, the Group's contracted capital commitments for properties under development was approximately RMB4,547 million (RMB4,819 million as at 31 December 2010). The amount mainly comprised the development cost and land cost of contracted projects. The Group's contracted capital commitments for acquisition of equity interests was approximately RMB3,756 million (RMB nil as at 31 December 2010), which represents the acquisition cost of SOHO Century Plaza and the Bund 8-1 Land.

OTHER INFORMATION

Dividends

The Board has approved a resolution to recommend the payment of a final dividend of RMB0.11 per share for the year ended 31 December 2011 (2010: RMB0.14), the payment of which is subject to the approval of the shareholders of the Company at the forthcoming AGM.

Closure of register of members

The forthcoming AGM will be held on Friday, 18 May 2012.

The register of members of the Company will be closed from Monday, 14 May 2012 to Friday, 18 May 2012 (both days inclusive), during which period no transfer of shares will be registered. To be eligibility for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, 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 pm on Friday, 11 May 2012.

The register of members of the Company will also be closed from Thursday, 24 May 2012 to Friday, 25 May 2012 (both days inclusive), during which period no transfer of shares will be registered. To ensure the entitlement to the final dividend, which will be resolved and voted on at the AGM of the Company, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, 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 pm on Wednesday, 23 May 2012.

Purchase, sale or redemption of listed securities of the Company

In 2011, neither SOHO China nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the employees' share award scheme adopted by the Company on 23 December 2010 (the "Employees' Share Award Scheme"), pursuant to the terms of the rules and trust deed of the Employees' Share Award Scheme, purchased on the Stock Exchange a total of 4,383,000 shares at a total consideration of HKD21,539,000.

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 of the Company (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 Code on Corporate Governance Practices

In the opinion of the Directors, the Company had been in compliance with the code provisions of the Code on Corporate Governance Practices 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 2011 and considered that the Company had complied with all applicable accounting standards and requirements and had made adequate disclosure.

Publication of results announcement

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

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Hong Kong
14 March 2012

As at the date of this announcement, the Board comprises Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Yan Yan and Ms. Tong Ching Mau, being the executive Directors, and Dr. Ramin Khadem, Mr. Cha Mou Zing, Victor and Mr. Yi Xiqun, being the independent non-executive Directors.