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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)

2025 INTERIM RESULTS ANNOUNCEMENT

HIGHLIGHTS

- As affected by the increasingly challenging commercial property leasing markets under soft economic sentiment, revenue income was approximately RMB690 million for the Period.
- Gross profit margin from property leasing remained stable at approximately 80% for the Period.
- The Group's average occupancy rate stabilized at approximately 80% as at 30 June 2025.
- Underlying profit attributable to owners of the Company from operating activities (excluding fair value changes and one-off tax fees) was approximately RMB173 million for the Period.
- Loss attributable to owners of the Company was approximately RMB92 million for the Period.

The board (the “**Board**”) of directors (the “**Directors**”) of SOHO China Limited (the “**Company**” or “**SOHO China**” or “**we**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the six months ended 30 June 2024 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

| | | Unaudited Six months ended 30 June | |
|---|------|---------------------------------------|-------------------------|
| | | 2025 | 2024 |
| | Note | RMB'000 | RMB'000 |
| Revenue | 2 | 689,825 | 799,362 |
| Cost of sales | | <u>(141,069)</u> | <u>(150,944)</u> |
| Gross profit | | 548,756 | 648,418 |
| Fair value changes on investment properties | | (144,000) | (88,086) |
| Other income/(losses) and gains, net | | 173,921 | 182,879 |
| Selling expenses | | (20,999) | (19,615) |
| Administrative expenses | | (39,284) | (49,530) |
| Other operating expenses | | <u>(281,256)</u> | <u>(293,734)</u> |
| Operating profit | | 237,138 | 380,332 |
| Finance income | 3 | 1,384 | 2,527 |
| Finance expenses | 3 | <u>(329,593)</u> | <u>(367,366)</u> |
| (Loss)/Profit before income tax | | (91,071) | 15,493 |
| Income tax credit/(expense) | 4 | <u>473</u> | <u>(124,662)</u> |
| Loss for the period | | <u>(90,598)</u> | <u>(109,169)</u> |
| (Loss)/Profit attributable to: | | | |
| – Owners of the Company | | (91,578) | (107,546) |
| – Non-controlling interests | | <u>980</u> | <u>(1,623)</u> |
| Loss for the period | | <u>(90,598)</u> | <u>(109,169)</u> |
| Loss per share (RMB per share) | 5 | | |
| Basic loss per share | | <u>(0.02)</u> | <u>(0.02)</u> |
| Diluted loss per share | | <u>(0.02)</u> | <u>(0.02)</u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

| | Unaudited | |
|---|--------------------------|------------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Loss for the period | (90,598) | (109,169) |
| Other comprehensive (expense)/income : | | |
| <i>Item that may be reclassified to profit or loss</i> | | |
| Currency translation differences | (14,136) | 2,292 |
| <i>Item that will not be reclassified to profit or loss</i> | | |
| Currency translation differences | — | (16,639) |
| Other comprehensive expense for the period, net of tax | (14,136) | (14,347) |
| Total comprehensive expense for the period | (104,734) | (123,516) |
| Total comprehensive (expense)/income for the period attributable to: | | |
| – Owners of the Company | (105,607) | (122,052) |
| – Non-controlling interests | 873 | (1,464) |
| | (104,734) | (123,516) |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

| | | Unaudited 30 June 2025 RMB'000 | Audited 31 December 2024 RMB'000 |
|---|------|---|---|
| | Note | | |
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | | 62,935,400 | 63,079,400 |
| Property and equipment | | 888,273 | 904,385 |
| Deferred tax assets | | 777,692 | 810,867 |
| Trade and other receivables | 6 | 68,743 | 68,743 |
| Investment in other financial assets | | 269,013 | 284,967 |
| Total non-current assets | | 64,939,121 | 65,148,362 |
| Current assets | | | |
| Completed properties held for sale | | 1,603,317 | 1,605,127 |
| Investment in other financial assets | | 391,730 | 140,864 |
| Prepayments | | 90,093 | 101,645 |
| Trade and other receivables | 6 | 552,530 | 520,047 |
| Restricted bank deposits | | 24,478 | 25,808 |
| Cash and cash equivalents | | 490,827 | 589,623 |
| Total current assets | | 3,152,975 | 2,983,114 |
| Total assets | | 68,092,096 | 68,131,476 |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | | 106,112 | 106,112 |
| Other reserves | | 35,932,063 | 36,037,670 |
| | | 36,038,175 | 36,143,782 |
| Non-controlling interests | | 925,163 | 924,290 |
| Total equity | | 36,963,338 | 37,068,072 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION **(CONTINUED)**

As at 30 June 2025

| | | Unaudited | Audited |
|-------------------------------------|-------------|-------------------|--------------------|
| | | 30 June | 31 December |
| | | 2025 | 2024 |
| | <i>Note</i> | RMB'000 | RMB'000 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Bank and other borrowings | 7 | 9,590,102 | 9,823,169 |
| Long-term deposits | | 291,358 | 297,826 |
| Deferred tax liabilities | | 9,976,024 | 10,004,805 |
| Total non-current liabilities | | 19,857,484 | 20,125,800 |
| Current liabilities | | | |
| Bank and other borrowings | 7 | 5,720,350 | 5,732,567 |
| Receipts in advance | | 615,086 | 538,050 |
| Trade and other payables | 8 | 3,302,739 | 3,011,512 |
| Current income tax liabilities | | 1,633,099 | 1,655,475 |
| Total current liabilities | | 11,271,274 | 10,937,604 |
| Total liabilities | | 31,128,758 | 31,063,404 |
| Total equity and liabilities | | 68,092,096 | 68,131,476 |

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”.

As of 30 June 2025, the Group’s current liabilities exceeded its current assets by RMB8,118,299,000 (unaudited) (31 December 2024: RMB7,954,490,000 (audited)). As at 30 June 2025, the Group’s total bank and other borrowings amounted to RMB15,310,452,000 (unaudited) (31 December 2024: RMB15,555,736,000 (audited)) (including the current portion of RMB5,720,350,000 (unaudited) as disclosed in note 7). These borrowings were collateralized by the Group’s investment properties recorded at a total carrying amount of RMB53,768,730,000 (unaudited) (31 December 2024: RMB53,859,471,000 (audited)). As at 30 June 2025, the Group had unrestricted cash and cash equivalents amounted to RMB490,827,000 (unaudited) (31 December 2024: RMB589,623,000 (audited)).

Beijing Wangjing SOHO Real Estate Co., Ltd. (“**Beijing Wangjing**”), a subsidiary of the Company, received a notice from a local tax authority in August 2022 demanding payment by 1 September 2022 of RMB1,733,334,000 for land appreciation tax (“**LAT**”) relating to Towers 1 and 2 of the Wangjing SOHO project developed by Beijing Wangjing. Surcharges would be imposed at 0.05 percent per day on the outstanding LAT should payment not be made by the due date. As at 30 June 2025, RMB168,600,000 (unaudited) (31 December 2024: RMB155,600,000 (audited)) of the LAT demanded had been paid and the remaining balance of the LAT, together with surcharges totalling RMB2,434,498,000 (unaudited) (31 December 2024: RMB2,305,263,000 (audited)) were outstanding.

The late payment of LAT might trigger cross-defaults of certain bank borrowings of the Group amounting to RMB4,123,000,000 (unaudited) (31 December 2024: RMB4,144,000,000 (audited)) as at 30 June 2025 (the “**Cross-Defaulted Borrowings**”). The Cross-Defaulted Borrowings with a total principal amount of RMB4,123,000,000 (unaudited) (31 December 2024: RMB4,144,000,000 (audited)) and interest of approximately RMB13,952,000 (unaudited) (31 December 2024: RMB13,192,000 (audited)) including those with original contractual repayment dates beyond 30 June 2025, were reclassified as current liabilities as at 30 June 2025 as they might due upon demand if requested by the respective lenders.

The above conditions indicate 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 not limited to, the following:

- (a) the Group has been in continuous communications with the local tax authority for a feasible settlement plan on the outstanding LAT. 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 RMB168,600,000 (unaudited) (31 December 2024: RMB155,600,000 (audited)) by 30 June 2025.

The Group continues 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 bank 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 (unaudited) during the six months ended 30 June 2025. 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;
- (c) the Group planned to dispose of certain of its properties to supplement liquidity; and
- (d) the Group will continue to take proactive measures to improve operating cash flow by controlling administrative costs 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 30 June 2025 on the assumptions that the Group is able to refinance the bank and other 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 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the interim condensed consolidated financial information 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 or imposing penalties;
- (b) whether the lenders of the bank and other borrowings, including those of the Cross-Defaulted bank borrowings, will call for repayment ahead of the stipulated repayment dates as a result of any developments of the LAT or other matters;
- (c) whether the Group can dispose of certain of its properties to supplement liquidity; and
- (d) the Group's ability to generate operating cash flows to meet the Group's ongoing funding needs as well as successfully controlling administrative costs and containing 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 the interim condensed consolidated financial information.

This interim condensed consolidated financial information contains condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual consolidated financial statements for the year ended 31 December 2024 (the **"2024 annual financial statements"**). The interim condensed consolidated financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards. Accordingly, this interim condensed consolidated financial information is to be read in conjunction with the 2024 annual financial statements and any public announcements made by the Company during the interim reporting period.

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

1.2 Adoption of Amended HKFRS Accounting Standards

Amended HKFRS Accounting Standards that are effective for annual period beginning on 1 January 2025

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's 2024 annual financial statements, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKAS 21 Lack of Exchangeability

The adoption of the above amended HKFRS Accounting Standards does not have a significant impact on the preparation of the Group's interim condensed consolidated financial information.

2 REVENUE

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

| | | Unaudited | |
|--|-------------|---------------------------------|----------------|
| | | Six months ended 30 June | |
| | | 2025 | 2024 |
| | <i>Note</i> | RMB'000 | RMB'000 |
| Revenue from other source | | | |
| Rental income | | 688,027 | 796,017 |
| Revenue from contracts with customers | | | |
| Sale of property units | (a) | <u>1,798</u> | <u>3,345</u> |
| | | <u>689,825</u> | <u>799,362</u> |

- (a) During the six months ended 30 June 2025 and 2024, revenue from sale of property units was recognized at a point in time.
- (b) No single customer contributed 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

3 FINANCE INCOME AND FINANCE EXPENSES

| | Unaudited | |
|--|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| Finance income | | |
| Interest income | <u>1,384</u> | <u>2,527</u> |
| Finance expenses | | |
| Interest expenses on bank and other borrowings | 328,903 | 367,002 |
| Net foreign exchange losses | 350 | 6 |
| Bank charges and others | <u>340</u> | <u>358</u> |
| | <u>329,593</u> | <u>367,366</u> |

4 INCOME TAX (CREDIT)/EXPENSE

| | Unaudited | |
|--------------------------|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| PRC corporate income tax | (4,867) | 51,910 |
| PRC LAT | – | 42,906 |
| Deferred income tax | <u>4,394</u> | <u>29,846</u> |
| | <u>(473)</u> | <u>124,662</u> |

Current income tax includes corporate income tax and 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% (six months ended 30 June 2024: 16.5%) of the estimated assessable profits for the six months ended 30 June 2025 and 2024.

In accordance with the Corporate Income Tax Law of the PRC, the corporate income tax rate applicable to the Company’s subsidiaries in the PRC is 25% (six months ended 30 June 2024: 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 MOP300,000 and 12% for taxable profits over MOP300,000. Taxable profits below MOP32,000 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 ranged from 30% to 60%.

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

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 for the six months ended 30 June 2025 of RMB91,578,000 (unaudited) (six months ended 30 June 2024: RMB107,546,000 (unaudited)) and the weighted average number of 5,199,524,031 (unaudited) ordinary shares (six months ended 30 June 2024: 5,199,524,031 (unaudited)) in issue during the Period.

6 TRADE AND OTHER RECEIVABLES

| | | Unaudited 30 June 2025 RMB'000 | Audited 31 December 2024 RMB'000 |
|---|-------------|---|---|
| | <i>Note</i> | | |
| Non-current – | | | |
| Other receivables | | <u>68,743</u> | <u>68,743</u> |
| Current – | | | |
| Trade receivables | (a) | 387,746 | 371,257 |
| Less: allowance for impairment of trade receivables | | <u>(45,509)</u> | <u>(47,290)</u> |
| Trade receivables – net | | <u>342,237</u> | <u>323,967</u> |
| Amounts due from related parties | | 24,740 | 24,740 |
| Amounts due from non-controlling interests | | 46,493 | 46,493 |
| Other receivables | | 249,557 | 234,931 |
| Less: allowance for impairment of other receivables | | <u>(110,497)</u> | <u>(110,084)</u> |
| Other receivables – net | | <u>210,293</u> | <u>196,080</u> |
| Total of current portion | | <u>552,530</u> | <u>520,047</u> |

The carrying amounts of trade and other receivables approximate their respective fair values as at 30 June 2025 and 31 December 2024.

(a) **Aging analysis**

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

| | Unaudited | Audited |
|-----------------------------|-----------------------|-----------------------|
| | 30 June | 31 December |
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Current | <u>309,162</u> | <u>289,334</u> |
| Less than 1 month past due | 11,542 | 768 |
| 1 to 6 months past due | 10,298 | 8,253 |
| 6 months to 1 year past due | 1,630 | 21,657 |
| More than 1 year past due | <u>55,114</u> | <u>51,245</u> |
| Amounts past due | <u>78,584</u> | <u>81,923</u> |
| | <u><u>387,746</u></u> | <u><u>371,257</u></u> |

7 BANK AND OTHER BORROWINGS

| | Unaudited | Audited |
|-------------|--------------------------|--------------------------|
| | 30 June | 31 December |
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Current | 5,720,350 | 5,732,567 |
| Non-current | <u>9,590,102</u> | <u>9,823,169</u> |
| | <u><u>15,310,452</u></u> | <u><u>15,555,736</u></u> |

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

| | Unaudited | |
|-----------------------------------|---------------------------------|-------------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | RMB'000 | RMB'000 |
| At beginning of the period | 15,462,969 | 15,796,210 |
| Repayment of borrowings | (235,710) | (186,031) |
| Exchange realignment | (3,311) | 2,442 |
| At end of the period | 15,223,948 | 15,612,621 |

As at 30 June 2025, borrowings amounting to RMB15,310,452,000 (unaudited) (31 December 2024: RMB15,555,736,000 (audited)) were secured by the Group's certain investment properties and/or shares of certain subsidiaries established in the PRC.

(b) Compliance with loan covenants

As mentioned in Note 1.1 to the interim condensed consolidated financial information, the late payment of LAT might trigger cross-defaults of certain bank borrowings of the Group amounting to RMB4,123,000,000 (unaudited) (31 December 2024: RMB4,144,000,000 (audited)) as at 30 June 2025. The Cross-Defaulted Borrowings with a total principal amount of RMB4,123,000,000 (unaudited) (31 December 2024: RMB4,144,000,000 (audited)) and interest of RMB13,952,000 (unaudited) (31 December 2024: RMB13,912,000 (audited)), including those with original contractual repayment dates beyond 30 June 2025, were reclassified as current liabilities as at 30 June 2025 as they are due upon demand if requested by the respective lenders.

8 TRADE AND OTHER PAYABLES

| | | Unaudited | Audited |
|--------------------------------|-------------|------------------|--------------------|
| | | 30 June | 31 December |
| | | 2025 | 2024 |
| | <i>Note</i> | RMB'000 | RMB'000 |
| Trade payables | (a) | 898,560 | 927,982 |
| Amounts due to related parties | | 812,732 | 812,732 |
| Late payment fees | | 869,764 | 727,529 |
| Rental deposits | | 223,187 | 231,813 |
| Other taxes payable | | 81,085 | 86,646 |
| Payroll and welfare payables | | 3,143 | 3,554 |
| Others | | 414,268 | 221,256 |
| | | 3,302,739 | 3,011,512 |

The carrying amounts of trade and other payables approximate their respective fair values as at 30 June 2025 and 31 December 2024.

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

| | Unaudited | Audited |
|---------------------------------|-----------------------|-----------------------|
| | 30 June | 31 December |
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Due within 1 month or on demand | <u>898,560</u> | <u>927,982</u> |

9 DIVIDENDS

The Board resolved not to declare an interim dividend for the Period (2024 interim dividend: nil).

BUSINESS REVIEW

Market Review and Outlook

Since the beginning of 2025, China's commercial real estate market has grappled with multiple challenges. From the perspective of the incremental market, overall appetite for investment and development of commercial and office properties remained weak, with a declining number of land purchases and new construction projects during the Period. From the perspective of the existing market, demand for commercial and office space has been slow to recover. Rents remain low, and “price for volume” is still the dominant strategy as the commercial property market navigates a period of largescale adjustment.

In this market environment, SOHO China proactively responded to challenges by prioritizing the improvement of property management services and ensuring the safe and stable operation of portfolio properties. With full cooperation across the Group, the Company has effectively enhanced product competitiveness through refined renovations, promotional pricing, and service upgrades. As a result, the Group has maintained a stable overall occupancy rate of 80%. Going forward, we remain confident and focused on understanding the market and customer needs. While striving to maintain and boost the occupancy rate, we will remain committed to providing excellent service, this is the key to long-term, sustainable growth. The Group regards customer service is the Company's engine of development, and will prioritize the continuous improvement customer satisfaction.

With rapid technological advancement and accelerating economic transformation, a new economic order is taking shape. Traditional customer targets and existing business scale are not sufficient to support future growth, let alone the expansion of leased space. In response to these developments, SOHO China is making an effort to serve emerging industries and sectors by actively developing new markets, and taking the initiative to adapt to market changes.

In the first half of 2025, SOHO China successfully attracted a number of high-quality tenants to sign, expand and renew leases. Some examples include the University of Hong Kong moving into Bund SOHO, and Little Red Book, a well-known social media platform, expanding its lease at SOHO Fuxing Plaza. Besides, several foreign enterprises from the United States, Germany, France and other countries have opened offices in SOHO China properties. These new leases and expansions of rental area effectively increased the Company's overall occupancy rate, reflecting emerging economic development trends, and laying a foundation for the Company's continued stable development.

In the meantime, SOHO China continues to deepen its commitment to ESG, advancing the Company's sustainable development by focusing on six main pillars to create long-term value: resilient growth, green and low-carbon practices, dedicated service, win-win cooperation, people-oriented principles, and gratitude and giving back. In terms of environmental sustainability, across the Group's 24 properties total energy consumption was reduced by 38.07 million kWh compared with the national standard, achieving an energy saving rate of 21% and reducing carbon emission by 32,000 tonnes. In terms of society, the Company continues to build a value-driven ecosystem for sustainable development by consistently improving customer service to enhance customer satisfaction and loyalty, establishing long-term and stable relationships with suppliers and business partners, organizing diverse engaging employee activities, creating a positive corporate culture, and actively participating in philanthropic activities. With the aim of cultivating gratitude and a culture of giving back to society, the Company is dedicated to building long-term and mutually beneficial partnerships with customers, suppliers and the greater community. In terms of corporate governance, the Company continues to optimize and improve its ESG governance structure and policies with the aim of managing operational risks and ensuring sustainable and healthy development.

It is worth mentioning that in June 2025, all 24 SOHO China projects successfully obtained WELL Health-Safety Rating (WELL HSR) certification covering 98.4% of the overall managed floor area and 100% of the Company's commercial and office projects. This milestone highlights the SOHO China's outstanding capabilities in the field of healthy building, and underscores the Company's unwavering commitment to providing tenants with a healthy and safety working environment.

Looking ahead to the second half of 2025, the office market will continue to face a landscape of both opportunities and challenges. On one hand, technological advancement and increased environmental awareness are driving the office market's evolution toward intelligent and sustainable development. On the other hand, market competition will remain fierce, with persistent downward pressure on rents. Nonetheless, with continued government policy support and the rise of emerging industries, the office market is expected to gradually rise above the current challenges and usher in new development opportunities. With the arrival of a new economic order, SOHO China will secure its market position by remaining committed to enhancing service quality. The Company is determined to become an important player in this new era.

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

The Group achieved revenue income of approximately RMB690 million in the Period, representing a decrease of approximately 13.6% as compared with approximately RMB799 million in the same period of 2024. The decrease in revenue income was mainly due to weak market demand in the office and retail property leasing markets.

Profitability

Gross profit for the Period was approximately RMB549 million, representing a decrease of approximately 15.3% as compared with approximately RMB648 million in the same period of 2024.

Gross profit margin was approximately 80% for the Period, as compared with approximately 81% in the same period of 2024.

Cost control

Selling expenses for the Period were approximately RMB21 million, as compared with approximately RMB20 million in the same period of 2024. Administrative expenses for the Period were approximately RMB39 million, as compared with approximately RMB50 million in the same period of 2024.

Finance income and expenses

Finance income for the Period was approximately RMB1 million, as compared with approximately RMB3 million in the same period of 2024.

Finance expenses for the Period were approximately RMB330 million, representing a decrease of approximately RMB37 million as compared with approximately RMB367 million in the same period of 2024, mainly due to the lower average borrowing balance during the Period.

Income tax credit/expense

Income tax credit for the Period was approximately RMB1 million, representing a decrease in income tax expense of approximately RMB126 million as compared with an income tax expense of approximately RMB125 million in the same period of 2024.

Bank borrowings, other borrowings and collaterals

As at 30 June 2025, total borrowings of the Group were approximately RMB15,310 million, of which approximately RMB5,720 million were due within one year (including a total principal amount of RMB4,123 million and interest of RMB14 million with original contractual repayment dates beyond 30 June 2025 being reclassified as current liabilities), approximately RMB9,590 million were due over one year. As at 30 June 2025, borrowings of the Group of approximately RMB15,310 million were collateralized by the Group's investment properties.

Risks of foreign exchange fluctuation and interest rate

As at 30 June 2025, offshore borrowings were approximately RMB212 million, accounting for approximately 1.4% of total borrowings of the Group (31 December 2024: offshore borrowings were approximately RMB348 million, accounting for approximately 2.2% of total borrowings of the Group). The Company's average funding cost remained stable at approximately 4.2% as at 30 June 2025 (31 December 2024: approximately 4.3%). During the Period, the Group's operating cash flow and liquidity had not been subject to significant influence from fluctuations in exchange rate.

Contingent liabilities

The Group had entered into agreements with certain banks to provide guarantees in respect of mortgage loans offered to buyers of property units. As at 30 June 2025, the total amount of the mortgage loans guaranteed by the Group relating to such agreements was approximately RMB3 million (31 December 2024: approximately RMB3 million).

Capital commitment

As at 30 June 2025, the Group's total capital commitment was approximately RMB8 million (31 December 2024: approximately RMB8 million).

Employees and remuneration policy

As at 30 June 2025, the Group had 1,640 employees, including 1,478 employees for the property management operations.

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

OTHER INFORMATION

Principal activities

The principal activities of the Group are 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 Period.

Dividends

The Board resolved not to declare an interim dividend for the Period (2024 interim dividend: Nil).

Share capital

As at 30 June 2025, the Company had 5,199,524,031 shares in issue (31 December 2024: 5,199,524,031 shares).

Purchase, sale or redemption of listed securities of the Company

As at 30 June 2025, there are no treasury shares held by the Company.

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

Material change

Save as disclosed elsewhere in this announcement, since the publication of the annual report of the Company for the year ended 31 December 2024, there are no material changes to the Company's business.

Events after the reporting period

No significant subsequent events affecting the Group have occurred since the end of the Period up to the date of this 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, during the Period, the Company had been in compliance with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules as in force during the Period.

Review of interim results

The audit committee of the Company had reviewed the unaudited condensed consolidated interim results for the six months ended 30 June 2025 of the Company and considered that the Company had complied with all applicable accounting standards and requirements and had made adequate disclosure.

The condensed consolidated interim results for the six months ended 30 June 2025 are unaudited, but had been reviewed by the Company's external auditor, Grant Thornton Hong Kong Limited.

The unaudited condensed consolidated interim results for the six months ended 30 June 2025 were approved by the Board on 28 August 2025.

EXTRACT OF REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The following is an extract of the report on review of interim condensed consolidated financial information for the six months ended 30 June 2025 from the external auditor of the Company:

Emphasis of Matter

We draw attention to note 2 to the interim condensed consolidated financial information which indicates that as at 30 June 2025, the Group's current liabilities exceeded its current assets by RMB8,118,299,000. At the same date, the Group's total bank and other borrowings amounted to RMB15,310,452,000 (including the current portion of RMB5,720,350,000). As stated in note 2, these conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Publication of results announcement

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.sohochina.com, respectively.

By order of the Board
SOHO China Limited
Xu Jin
Chairman

Hong Kong, 28 August 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.