



***INTERIM RESULTS FOR YEAR 2011***

## **WANGJING SOHO SALES: RMB2.62 BN UPON LAUNCH**

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- **Pre-sale launched on 20 August 2011**

## WANGJING SOHO SALES: RMB2.62 BN UPON LAUNCH

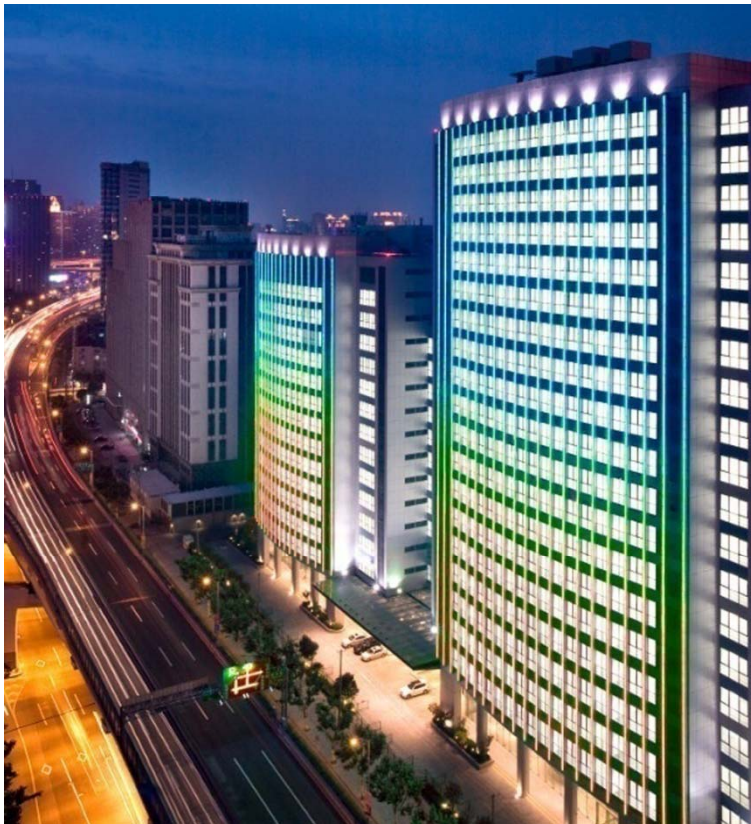
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- **Contract sales: RMB2.62 bn within first 4 days**
- **ASP: office RMB48,400/sqm  
retail RMB81,800/sqm**

## SOHO ZHONGSHAN PLAZA SALES: RMB1.43 BN

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- Sales launched on 14 August 2011, three months after acquisition

## SOHO ZHONGSHAN PLAZA SALES: RMB1.43 BN

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- **Contract sales: RMB1.43 bn**
- **ASP: office RMB48,400/sqm  
retail RMB64,600/sqm**

## **DANLING SOHO SALES: RMB1.45 BN UPON LAUNCH**

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- **Sales launched  
on 18 July 2011**



## DANLING SOHO SALES: RMB1.45 BN UPON LAUNCH



### On the launch day

- **Contract sales: RMB1.45 bn**
- **91% sold with office sold out**
- **ASP: office RMB47,500/sqm  
retail RMB91,000/sqm**

## 2011 YTD CONTRACT SALES RMB8.3 BILLION

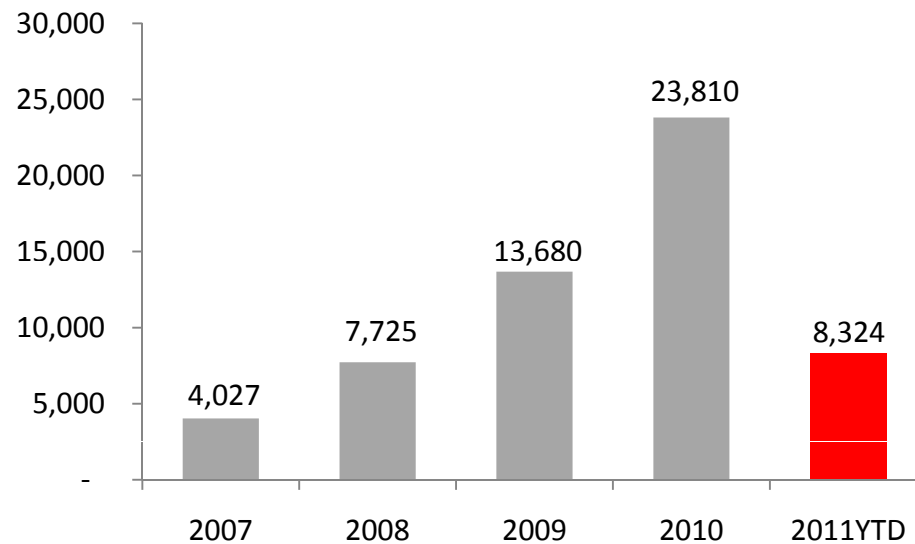
Project	City	Contract Sales		
		Amount (RMB million)	GFA (sq.m.)	Avg selling price (RMB/sq.m.)
Wangjing SOHO	Beijing	2,623	50,273	51,906
Galaxy SOHO	Beijing	2,040	20,831	97,060
Danling SOHO	Beijing	1,453	28,801	49,889
SOHO Zhongshan	Shanghai	1,433	28,599	48,801
The Exchange-SOHO	Shanghai	471	7,414	63,565
Sanlitun SOHO	Beijing	150	2,279	60,434
Others	Beijing	154		
<b>Total</b>		<b>8,324</b>	<b>139,584</b>	<b>58,905</b>

As at 23 August 2011

# ASP RMB58,905 PER SQM

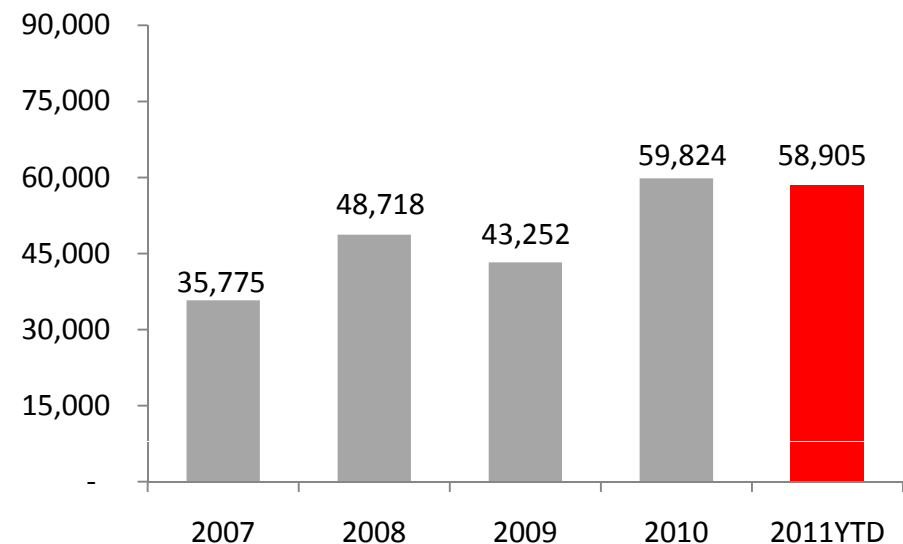
RMB in millions

**Contract Sales**



RMB / sqm

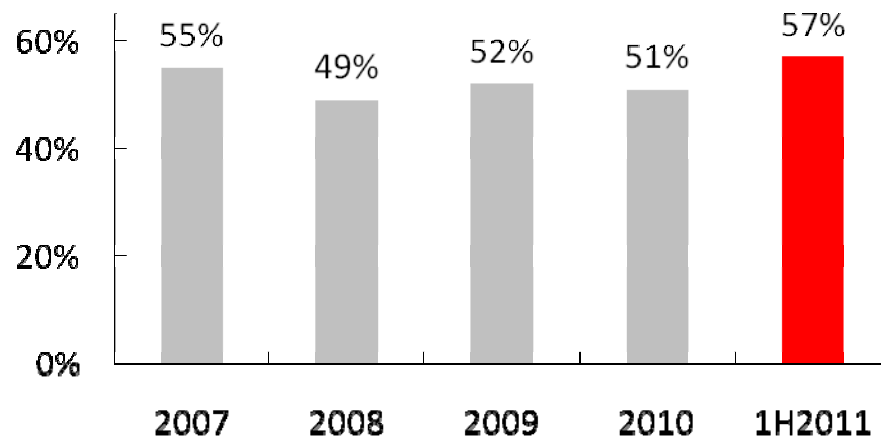
**Average Selling Price**



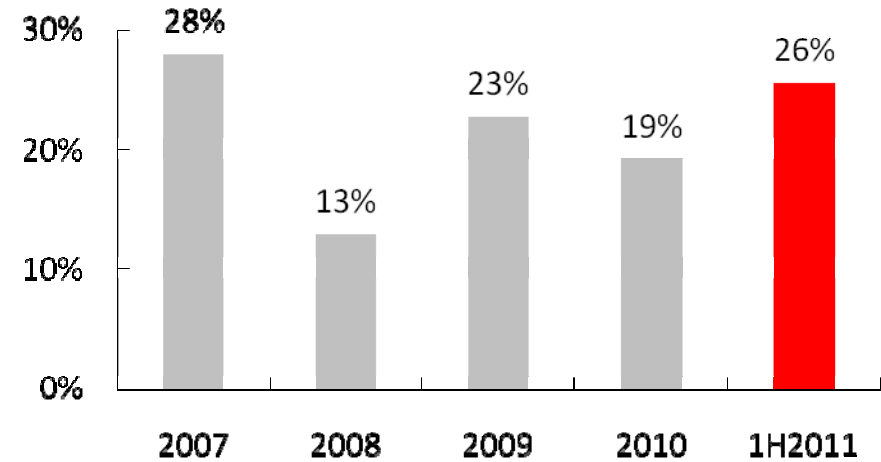
**As at 23 August 2011**

# HIGH MARGIN MAINTAINED

Gross Margin



Net Margin\*



\* Excluding valuation gains

## BEIJING AND SHANGHAI EQUAL WEIGHT

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**Beijing**

**5**

PROJECTS  
Under Construction

**1.1**  
MSQM

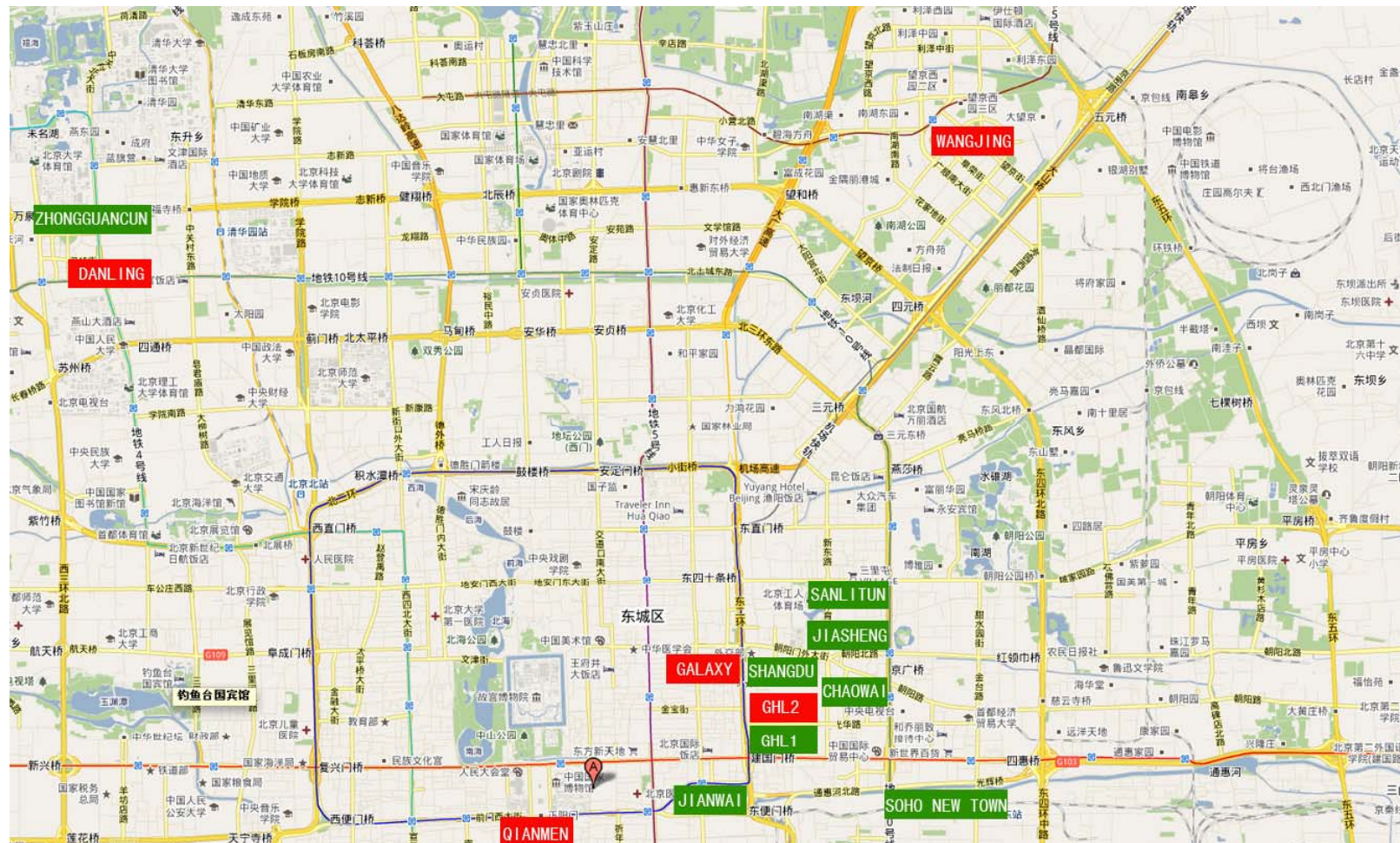
**Shanghai**

**8**

PROJECTS  
Under Construction

**1.2**  
MSQM

# BEIJING: 2.4MSQM COMPLETED, 1.1MSQM UNDER CONSTRUCTION



Under construction

Completed

# SHANGHAI: 0.1MSQM COMPLETED, 1.2MSQM UNDER CONSTRUCTION



**Under construction**

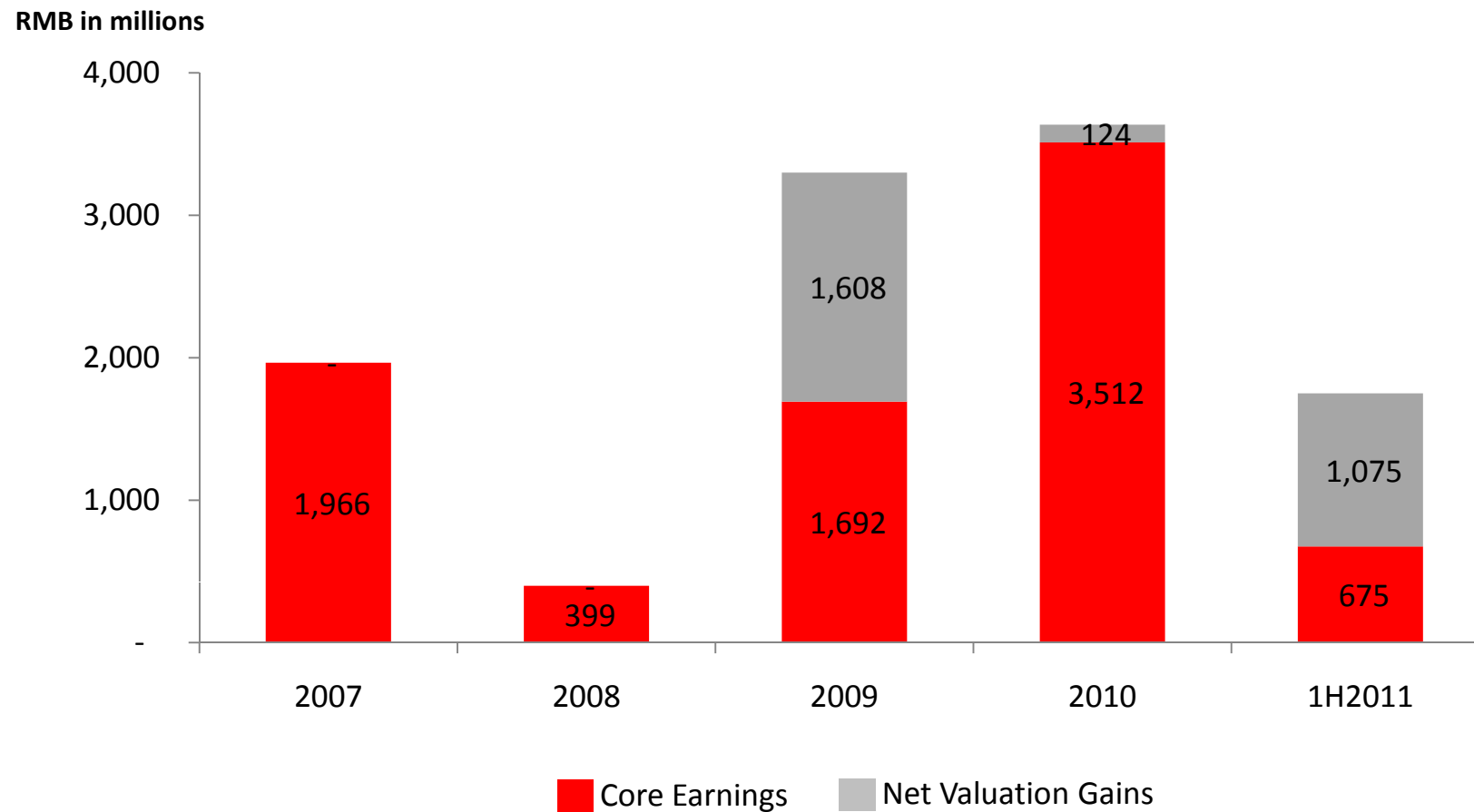
**Completed**

## 2011 YTD ACQUISITIONS RMB11.4 BN

Project	City	District	Total GFA (sqm)	Cost (RMB mn)	Interest Time
Fuxinglu SOHO	Shanghai	Luwan	137,442	788	32% (increased to 80%) March
Caojiadu Land	Shanghai	Jingan	81,000	1,534	100% March
Hailun Rd. Station Land	Shanghai	Hongkou	152,032	2,470	100% April
SOHO Zhongshan Plaza	Shanghai	Changning	142,184	3,200	100% May
Sichuan N. Rd. Station	Shanghai	Hongkou	97,200	1,500	100% May
SOHO Century Ave.	Shanghai	Pudong	58,520	1,890	100% August
<b>Total</b>			<b>668,378</b>	<b>11,382</b>	

As at 23 August 2011

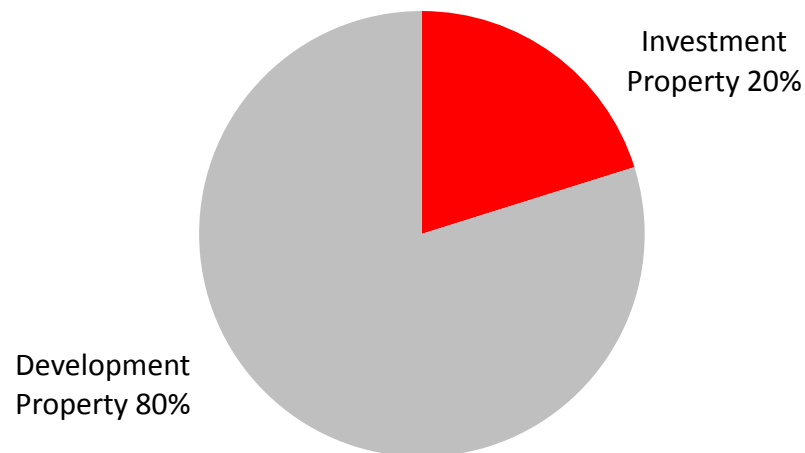
## 1H2011 NET PROFIT RMB1.75 BN



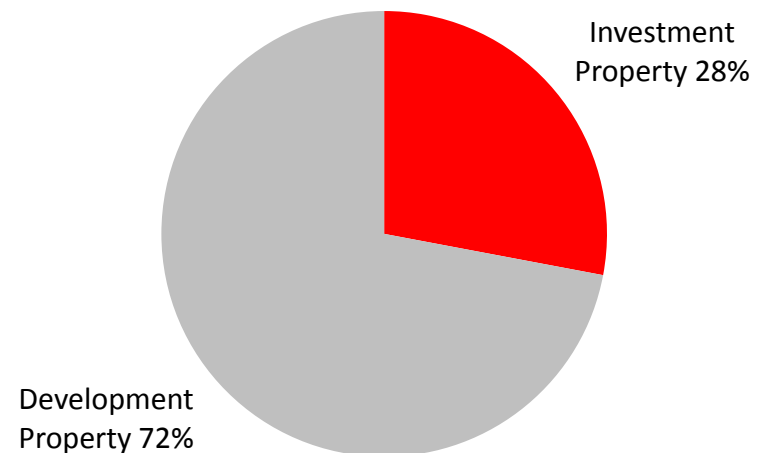
## **KEEP SALES SCALE, GRADUALLY HOLD MORE PROPERTIES**

- SOHO is a strong brand for sales, we will continue the sales scale
- As demand in Beijing and Shanghai consumption matures, as inflation is high, we will hold more properties

**% Breakdown by total GFA**



**% Breakdown by property value**

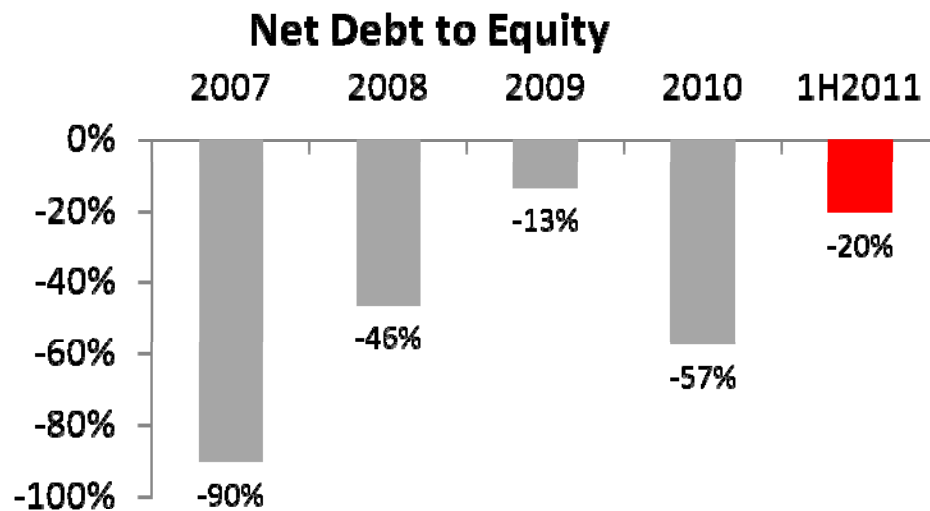


## ONLY HOLDING MOST PRIME LOCATIONS

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Project	Location	Total GFA (sqm)
Qianmen Project	Beijing	54,700
Guanghualu SOHO II	Beijing	138,500
SOHO on the Bund	Shanghai	118,000
Fuxinglu SOHO	Shanghai	137,400
<b>Total</b>		<b>448,600</b>

## RMB21+ BN CASH



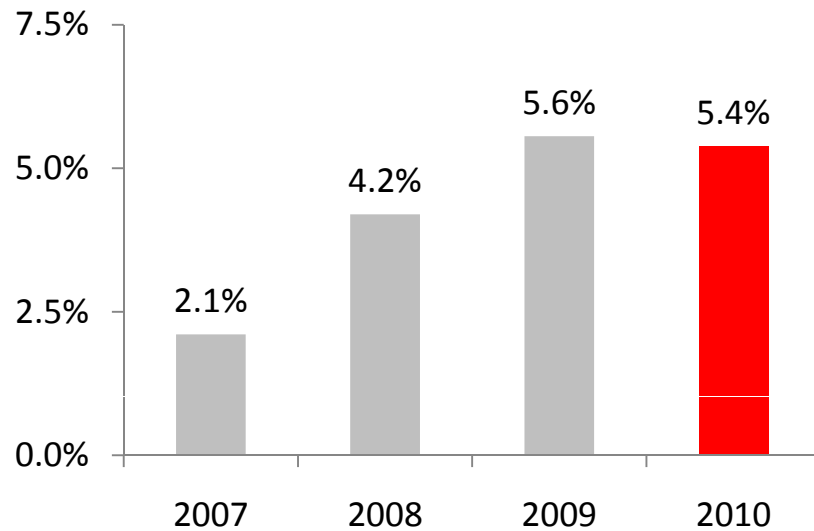
Cash	RMB 17.3 bn
Undrawn syndicated loan	RMB 3.9 bn*
<b>Total</b>	<b>RMB 21.2 bn</b>

Convertible bonds	RMB 2.0 bn
Bank loans	RMB 10.6 bn
Undrawn syndicated loan	RMB 3.9 bn*
<b>Total</b>	<b>RMB 16.5 bn</b>

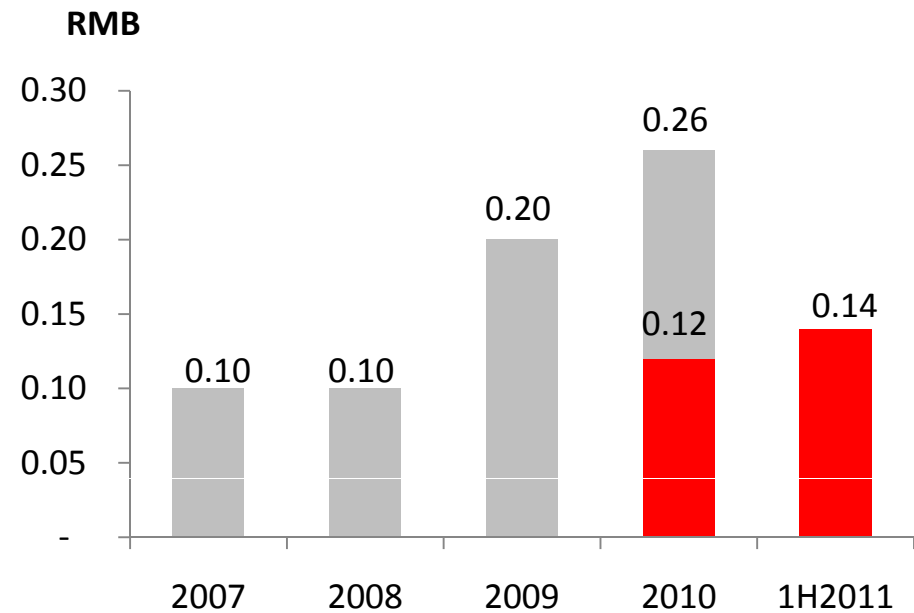
\* USD 605 million  
As at 30 June 2011

# MAINTAIN HIGH DIVIDEND POLICY

Dividend Yield



Dividend per Share





***MARKET OUTLOOK AND COMPANY STRATEGY***

## **COMMERCIAL BENEFITS FROM “PURCHASE RESTRICTION”**

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- **The purchase restriction wipes out the investment in residential in top tier cities**
- **High inflation pushes investors away from holding cash**
- **Prime location commercial property in Beijing and Shanghai are still the top choice for investors (cap rate 4-5%)**
- **Every new launch, price and speed of sales exceeded our expectations**

## **MARKET UNCERTAINTY CONTINUES**

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- **Global macro uncertainty will impact the market (i.e. QE3)**
- **Tight measures will continue, and will be extended to more cities (Tier-3/4 cities)**
- **Government is determined to complete low-income housing to ease public discontent on high housing prices**

## **SOHO STRATEGY FACING MARKET UNCERTAINTY**

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- **Take advantage of strong cash holding for aggressive acquisitions**
- **Stick to prime locations in Tier-I cities**
- **Stick to commercial property to avoid “purchase restriction”**  
**(government austerity measures usually target residential)**

## ACQUISITION TARGETS

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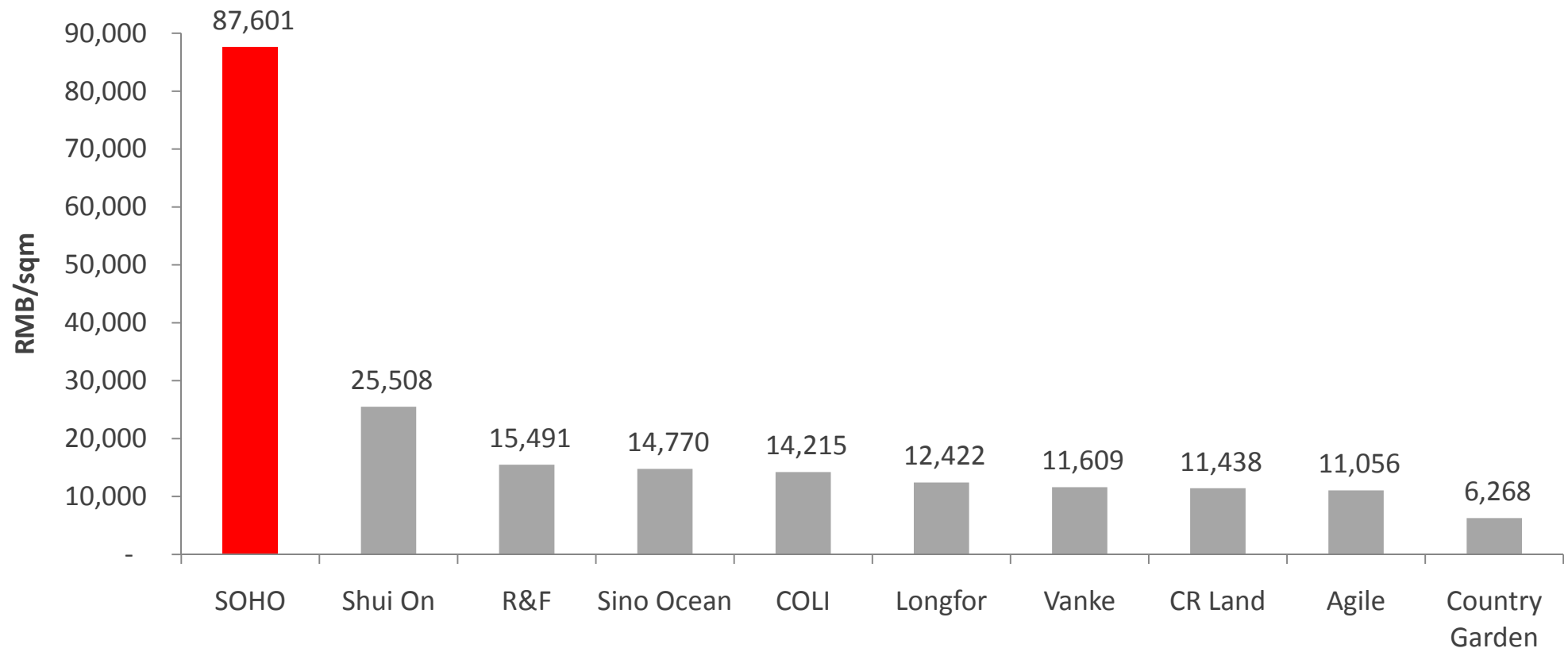
- Beijing, Shanghai, Guangzhou and Shenzhen are the 4 target cities
- CBD, sub-CBD, subway intersections, transportation hub, large-scale land are prime criteria
- Beijing : Greater Wangjing area, Li Ze new sub-CBD (between southwest 2nd and 3rd Ring Road), new sub-CBD at south of Olympic Games area
- Shanghai: Hongqiao commercial district, Expo area
- Guangzhou: Commercial asset portfolio

## **SOHO IS STILL A GREAT BUY**

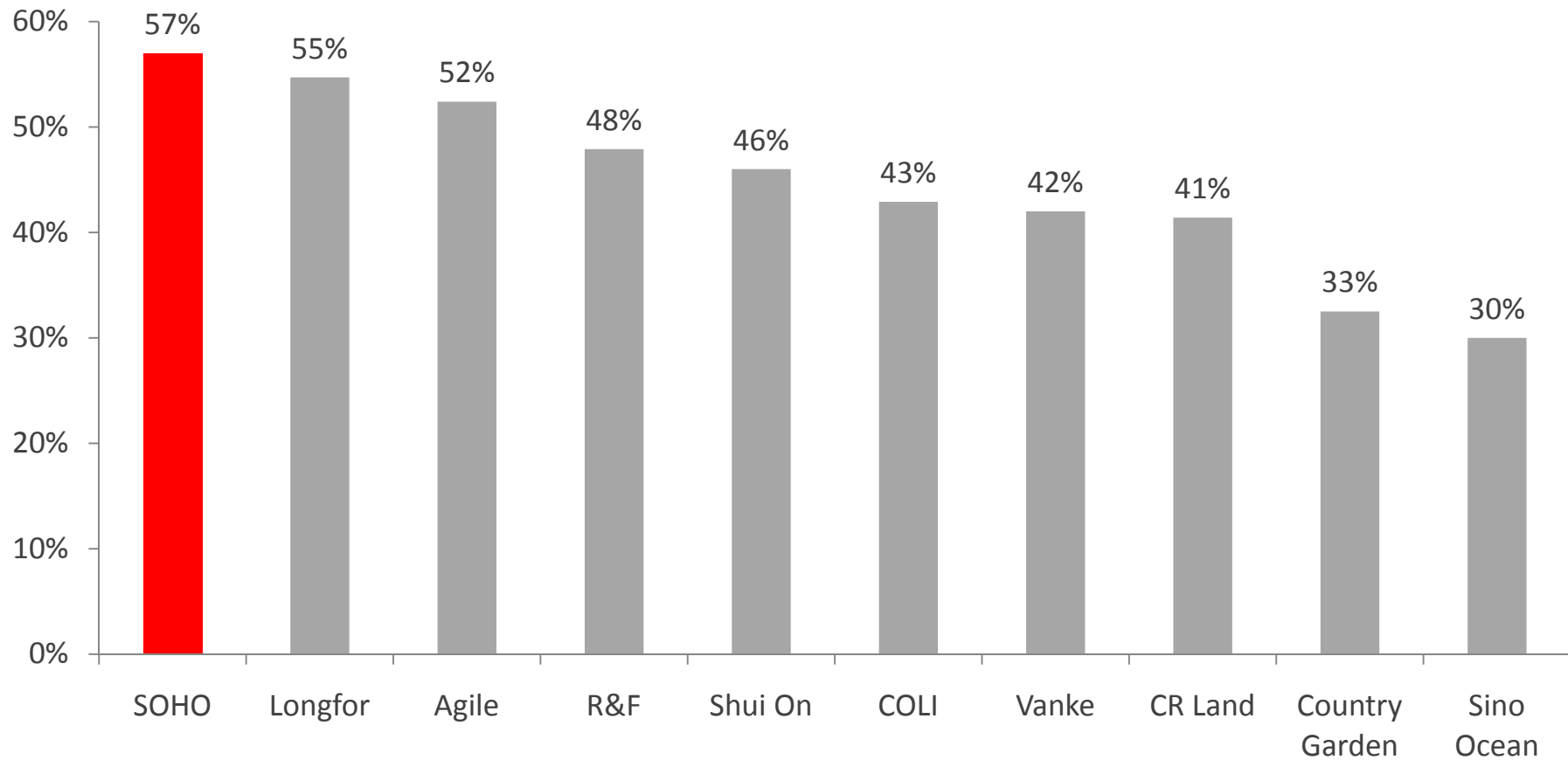
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- **37% NAV discount is still too big for commercial developer with only prime location properties**
- **Stock price does not fully reflect differentiation between residential and commercial**
- **SOHO's high dividend yield is rare among high growth companies in China**
- **Commercial properties - the only bright spot**

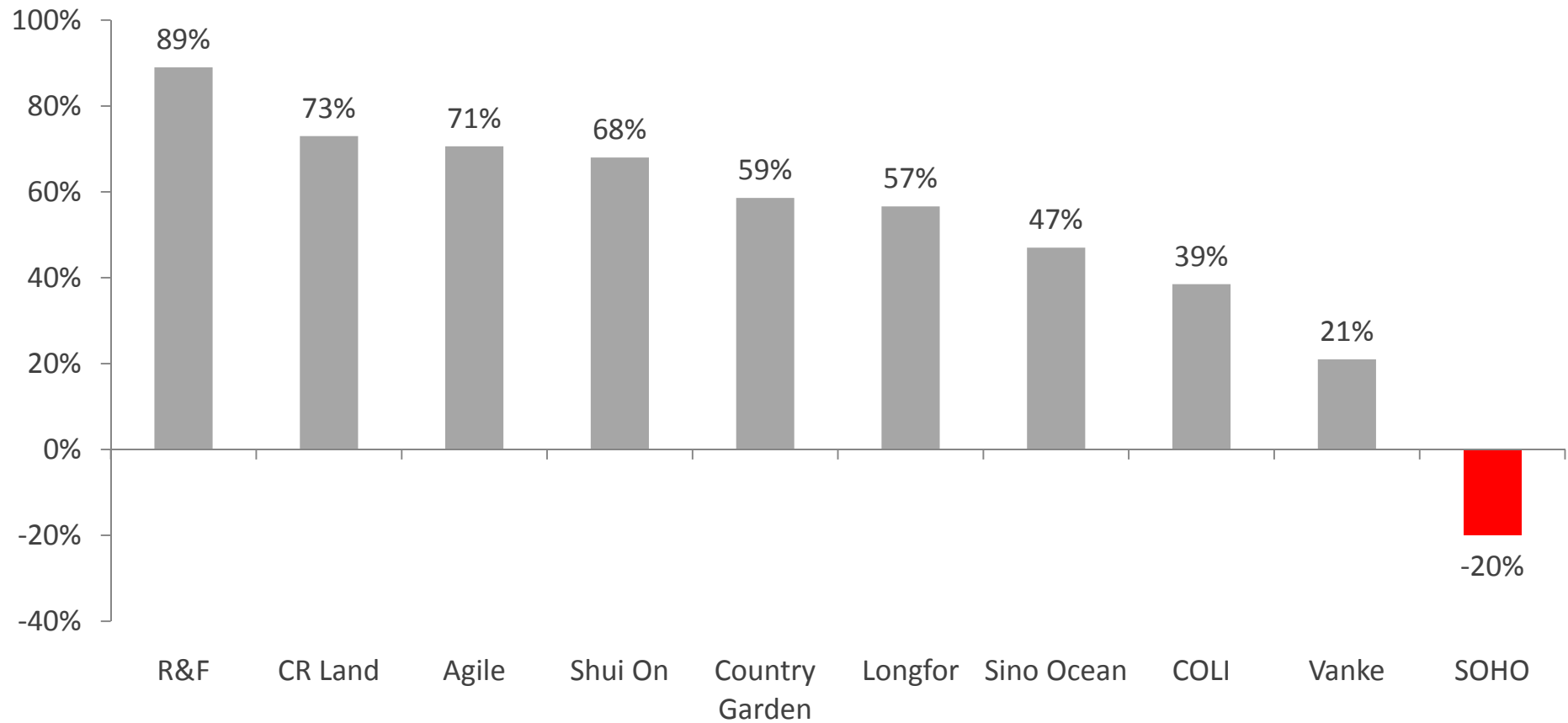
## 1H2011 ASP



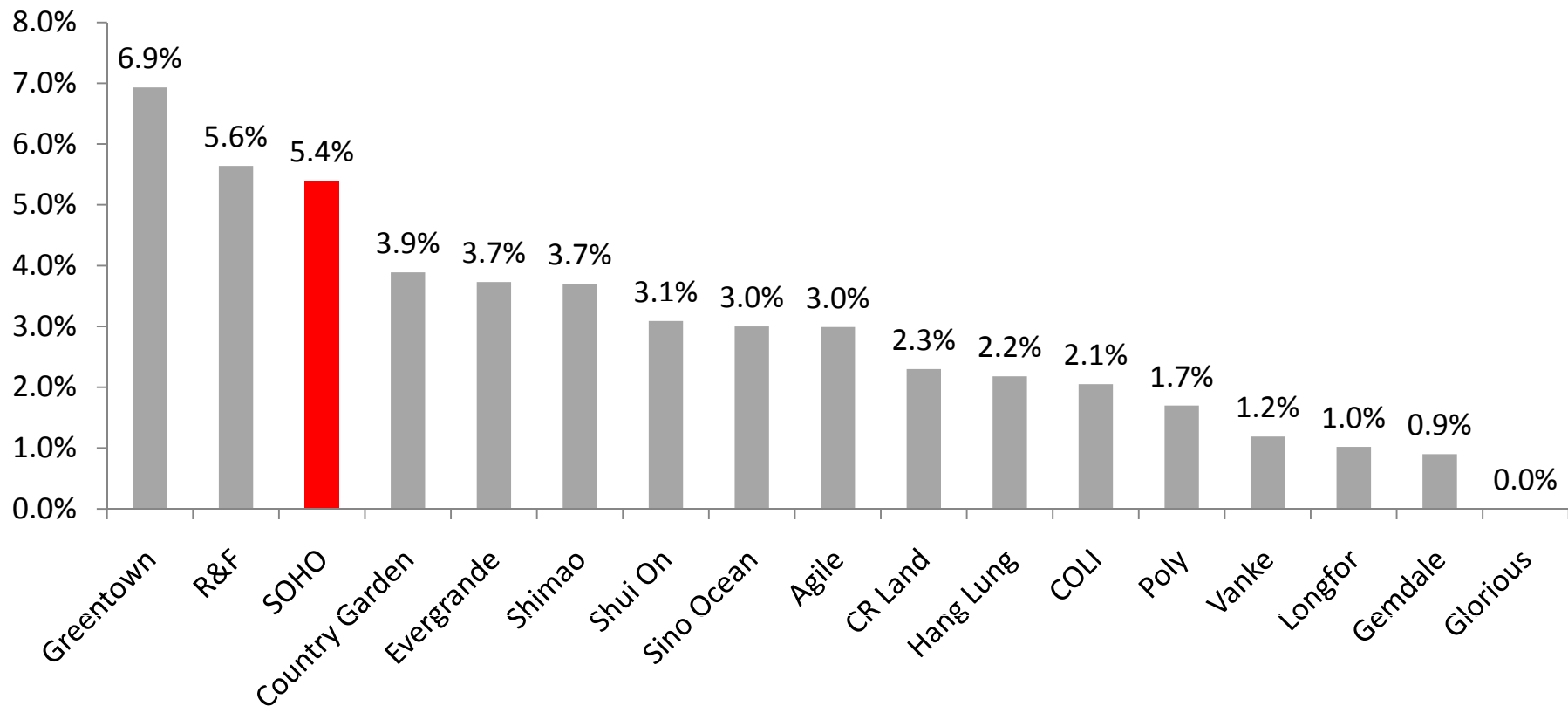
## 1H2011 GROSS MARGIN



## NET GEARING AS AT 30 JUNE 2011



## 2010 Dividend Yield



Source: Bloomberg

SOHO   CHINA

***SOHO INNOVATION***

**Appendix**  
**Financial Summary**  
**Recent Acquisitions**  
**Sales & Completion Schedule**

## FINANCIAL SUMMARY (I)

(RMB mn)	1H 2011	1H 2010	Change %
Turnover	2,646	8,655	-69%
Net Profit	1,750	1,721	2%
Core Earning	675	1,721	-61%
Gross Margin (%)	57%	50%	
Core Net Margin (%)	26%	20%	
EPS (RMB)	0.337	0.332	
DPS (RMB)	0.140	0.120	

## FINANCIAL SUMMARY (II)

(RMB mn)	At 30 Jun 2011	At 31 Dec 2010	Change %
Cash and Bank Deposits	16,599	21,566	-23%
Convertible Bonds	1,988	1,985	0%
Bank Loans	10,569	8,633	22%
Total Assets	55,274	47,930	15%
Total Equity to Shareholders	20,378	19,243	6%
Total Debt over Total Assets (%)	23%	22%	
Net Debt over Equity (%)	-20%	-57%	

## CAOJIADU LAND

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- Situated in Shanghai Jingan District with convenient access to several subway lines
- Total planned GFA 81,000 sqm and total sellable GFA 57,136 sqm
- Total consideration RMB1.53 billion and average land cost about RMB27,000/sqm
- Design and planning work has commenced
- Pre-sale to start in 2013, completion is estimated to be in 2014

## **HAILUN ROAD STATION LAND**

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- **Situated at Subway Line 10 Hailun Road Station in Hongkou District, only 2.5 km from the city center**
- **Total planned GFA 152,032 sqm and total sellable GFA 116,132 sqm**
- **Total consideration RMB2.47 billion and average land cost about RMB21,000/sqm**
- **Design and planning work has commenced**
- **Pre-sale to start in 2014, completion is estimated to be in 2015**

## **SOHO ZHONGSHAN PLAZA**

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- **The completed buildings are situated at Zhongshan West Road (Inner Ring Road), Changning District in Shanghai, with close access to several subway lines**
- **Total planned GFA 142,184 sqm and total saleable GFA 112,864 sqm**
- **Total consideration RMB3.2 billion and average building cost about RMB28,000/sqm**
- **Sales launched on 14 August 2011, three months after the acquisition**
- **Achieved contract sales of RMB1.43 bn with ASP of RMB48,800/sqm**

## **SICHUAN NORTH ROAD STATION LAND**

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- **Situated at Sichuan N. Road Station on Subway Line 10, at the most prime and developed area of the Sichuan North Road commercial district in Shanghai**
- **Total planned GFA 97,200 sqm and sellable GFA 66,833 sqm**
- **Total consideration RMB1.5 billion and average land cost of about RMB22,400/sqm**
- **Design and planning work has commenced**
- **Pre-sale to start in 2013, completion is estimated to be in 2014**

## **SOHO CENTURY AVENUE**

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- **The building, formerly named as Jia Rui International, is situated in Pudong's Zhu Yuan business district, within walking distance to stations on Subway Lines 2, 4, 6 and 9**
- **Total GFA 58,520 sqm and total saleable area 42,972 sqm**
- **Total consideration RMB1.89 billion and average building cost about RMB44,000/sqm**
- **Construction close to completion with delivery in 2012**

## SALES SCHEDULE

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2011	2012	2013	2014
The Exchange-SOHO	Wangjing SOHO	Wangjing SOHO	Caojiadu Land
Galaxy SOHO	SOHO Zhongshan Plaza	Hongqiao SOHO	Sichuan N.Rd.Land
Danling SOHO	Hongqiao SOHO	Caojiadu Land	Hailun Rd.Land
SOHO Zhongshan Plaza	SOHO Century Ave.	Sichuan N.Rd.Land	New Projects
Wangjing SOHO	New Projects	New Projects	

## DEVELOPMENT SCHEDULE

Project Completion (sqm)	2011	2012	2013	2014	2015
Tiananmen South(Qianmen)	32,000				
Danling SOHO	42,638				
SOHO Zhongshan Plaza	142,184				
Galaxy SOHO		330,000			
SOHO Century Ave.		58,520			
SOHO on the Bund			189,000		
Fuxinglu SOHO			137,400		
Guanghualu SOHO II			167,000		
Hongqiao SOHO			350,000		
Wangjing SOHO			340,000	180,000	
Caojiadu Land				81,000	
Sichuan N. Rd. Station Land				97,200	
Hailun Rd. Station Land					152,032
<b>Total</b>	<b>216,822</b>	<b>388,520</b>	<b>1,183,400</b>	<b>358,200</b>	<b>152,032</b>

*The data are planned total GFA, highlighted projects are investment properties*

# THANK YOU

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