



# CHINA'S LEADING OFFICE LANDLORD

2023 INTERIM RESULTS PRESENTATION  
SEPTEMBER 2023



## China's Leading Office Landlord

- **High Quality Assets** – Holding 1.26 million sqm of prime location commercial properties in Beijing and Shanghai
- **Solid Value Protection** – Occupancy steadily increased. Asset scarcity, value protection in an increasingly complex and uncertain environment
- **Robust Operating Cash Flow** – All projects under mature operating with diverse tenant mix providing a stable rental income
- **Stable Financial Position** – No pressure on ongoing projects and large capital expenditures, low gearing ratio, healthy debt maturity profile and stable financing cost
- **Reinforce green basement** – Fulfilling green & environmental protection, advocating for green leasing, gaining accreditations by authoritative institutions

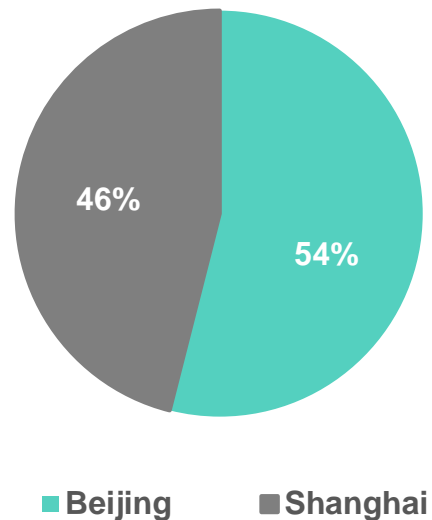
## Interim Results Summary of 2023

- The average occupancy of the Group's investment properties stabilized and recovered to approximately 79% as at 30 June 2023.
- Despite an increasingly challenging office and retail property leasing markets due to weak macro-economic environment, the Group achieved revenue of approximately RMB822 million for the Period.
- Gross profit margin remained stable and was approximately 83% for the Period.
- Profit attributable to owners of the Company from operating activities (excluding valuation changes on investment properties and one-off tax and administrative fees and charges) was approximately RMB207 million for the Period.
- As at 30 June 2023, net gearing ratio of the Group was approximately 42%, and average funding cost was approximately 4.7%.

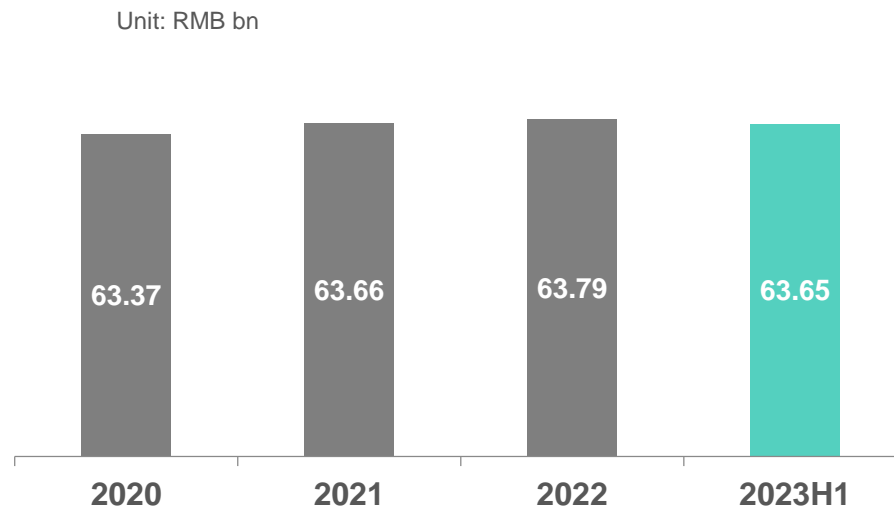
## Holding prime location office buildings in Beijing and Shanghai

- Office buildings in prime location of Beijing & Shanghai with great scarcity
- Projects completed and stabilized ,offers greater value protection

Leasable Areas by Location



Value of Investment Properties

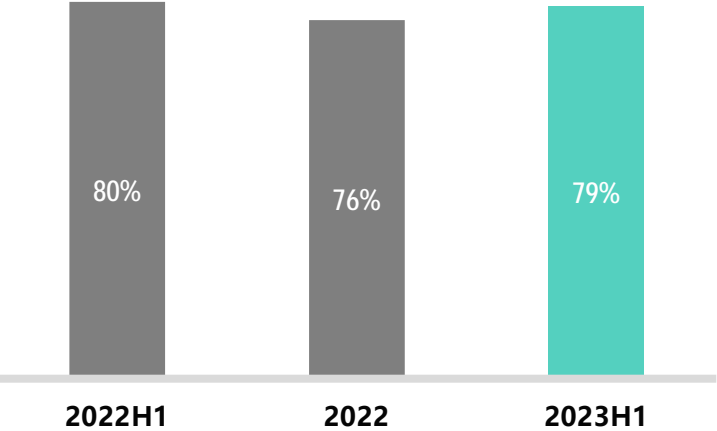


# Occupancy stabilized

- Occupancy stabilized and recovered to 79%

- Profit (excluding valuation changes on investment properties and one-off tax) increased to RMB207 million

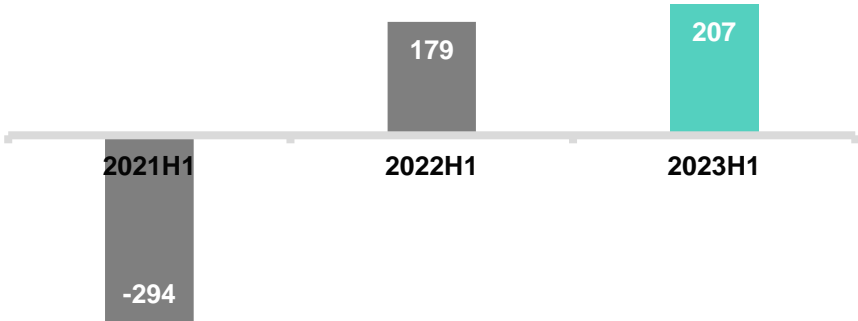
Average Occupancy<sup>[1]</sup>



Note [1]: Occupancy rate for office and retail areas at the end of relevant year

Profit  
(excluding valuation changes on investment properties and one-off tax)

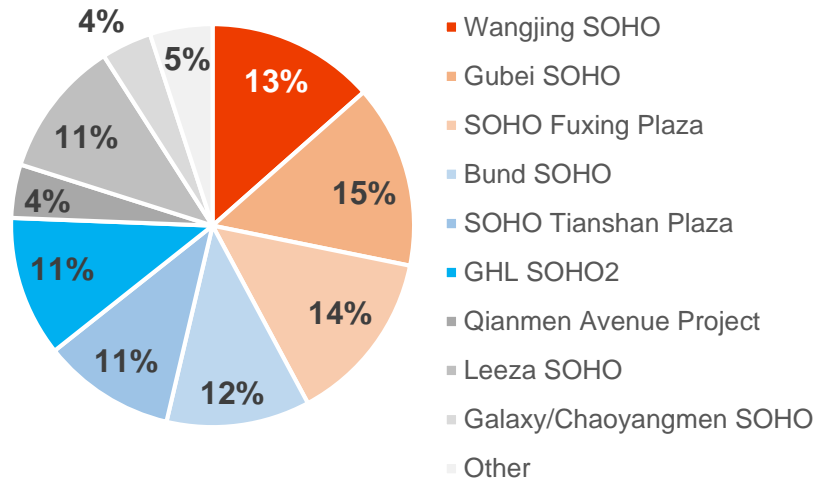
Unit: RMB mn



## Diverse tenant mix

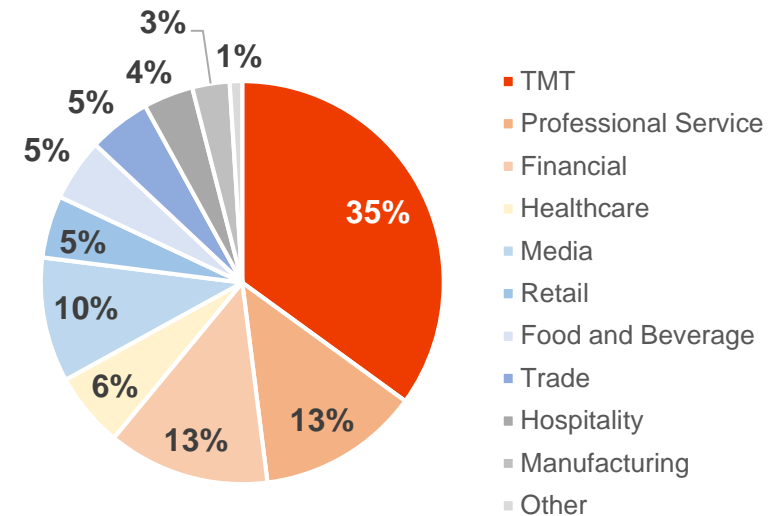
- Revenue from each single project accounts for less than 20% of total rental income
- Tenants are from diverse industries and relatively stable

Rental income by projects<sup>[1]</sup>



Note [1] : as of 30 June 2023

Leased areas by tenant industries<sup>[1]</sup>



Note [1] : as of 30 June 2023



# Industry leaders becoming SOHO China's tenants

Diverse tenant mix includes multiple industry leaders

<p>TMT</p>	
<p>Financial &amp; Professional services</p>	
<p>Food Retail</p>	
<p>Others</p>	

## Stable gearing ratio

- Net gearing ratio and average funding cost remained low and stable at 42% and 4.7% respectively

RMB mn	30 June 2023	31 December 2022
Cash and bank deposits	688	426
Interest-bearing debts	15,971	16,108
Equity attributable to Shareholders	36,472	36,441
<i>Net gearing ratio</i>	<i>42%</i>	<i>43%</i>



# Reinforce green basement: *green targets and achievements*

## *Green Targets*

Y2021 to Y2025

*Annual carbon reduction*

**60K+** tonnes

*Cumulative carbon reduction*

**300K+** tonnes

## Green Achievements

Jan.2021 to Jun.2023

24 Projects

**693mn kWh**

International cumulative saving

**296mn kWh**

Power Saving rate

**29.9%**

Equal to carbon saving

**245k tonnes**

## Power Consumption of 2023

Jan.2021 to Jun.2023

24 Projects

**141mn kWh**

International cumulative saving

**45mn kWh**

Power Saving rate

**24.2%**

Equal to carbon saving

**37k tonnes**

## Reinforce green basement: *Join TCFD and Address climate change*



- ✓ TCFD, an internationally recognized framework for climate information disclosure, focuses on the financial impact of climate issues on enterprises that investors are concerned about, enhances market understanding of the potential financial impact of climate change, and focuses on the risks and opportunities involved in transitioning to a low-carbon economy.
- ✓ The real estate industry is one of the industries susceptible to the negative impacts of climate change, which can exacerbate the frequency of extreme disasters. Therefore, it is necessary for SOHO China to actively manage climate risks and disclose relevant actions to investors and other stakeholders.
- ✓ In June 2023, SOHO China officially became the TCFD Supporter of the Climate Related Financial Information Disclosure Working Group (TCFD), and is currently **one of the four real estate companies in Chinese Mainland.**

Filter

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Real Estate ▼ Real Estate Management & Development ▼

China (Mainland) ▼ Asia Pacific ▼

Company ▼	Sector	Industry	Location	Region	Date
Shui On Land Limited	Real Estate	Real Estate Management & Development	China (Mainland)	Asia Pacific	June 2022
Sino-Ocean Group (远洋控股集团(中国)有限公司)	Real Estate	Real Estate Management & Development	China (Mainland)	Asia Pacific	December 2021
SOHO China Limited	Real Estate	Real Estate Management & Development	China (Mainland)	Asia Pacific	June 2023
White Peak	Real Estate	Real Estate Management & Development	China (Mainland)	Asia Pacific	November 2022

# Reinforce green basement: *Support renewable energy*

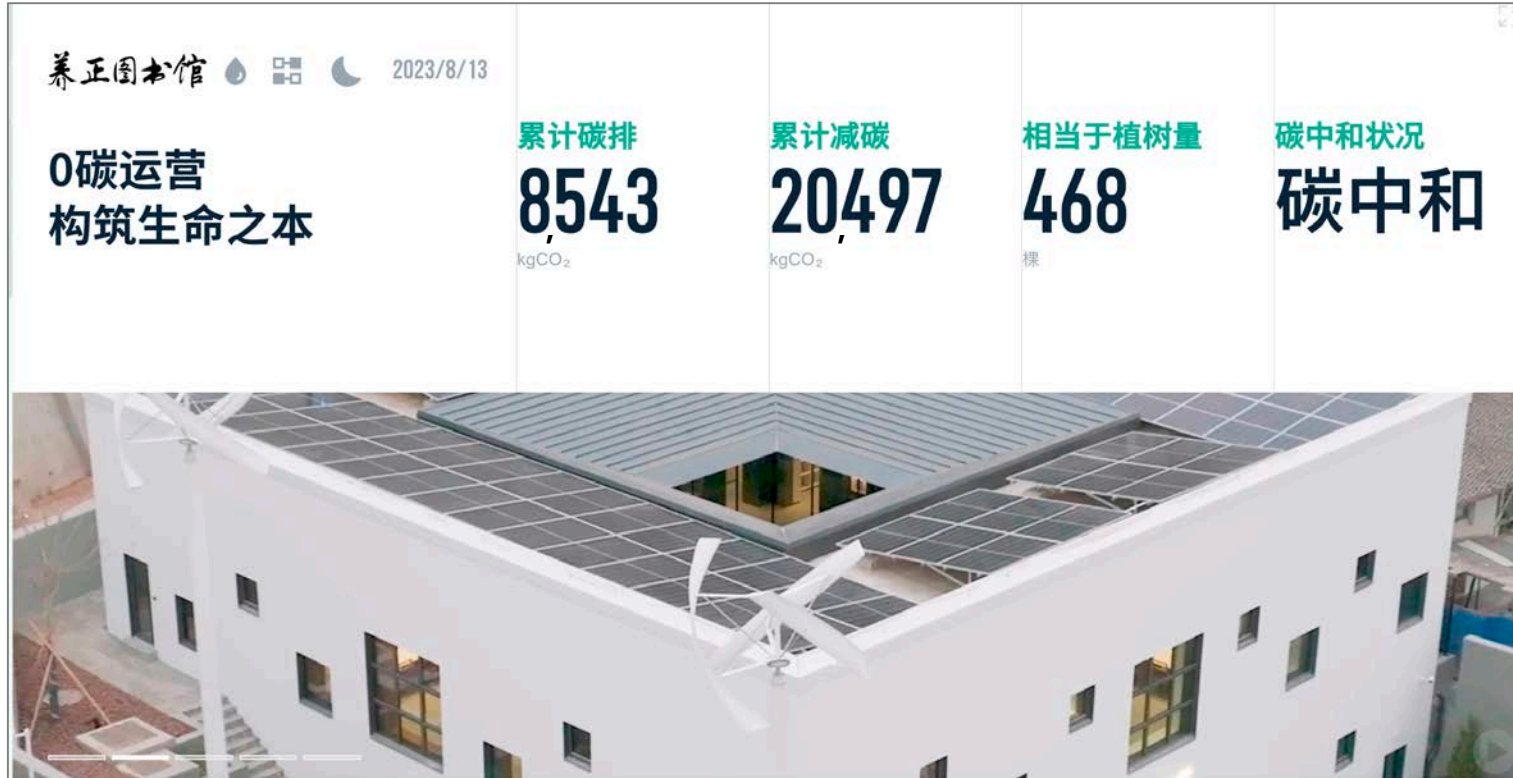


Procured 161mn kWh of green electricity from January to June 2023.





# Reinforce green basement: *Zero carbon pioneer — “Yang Zheng Library”*



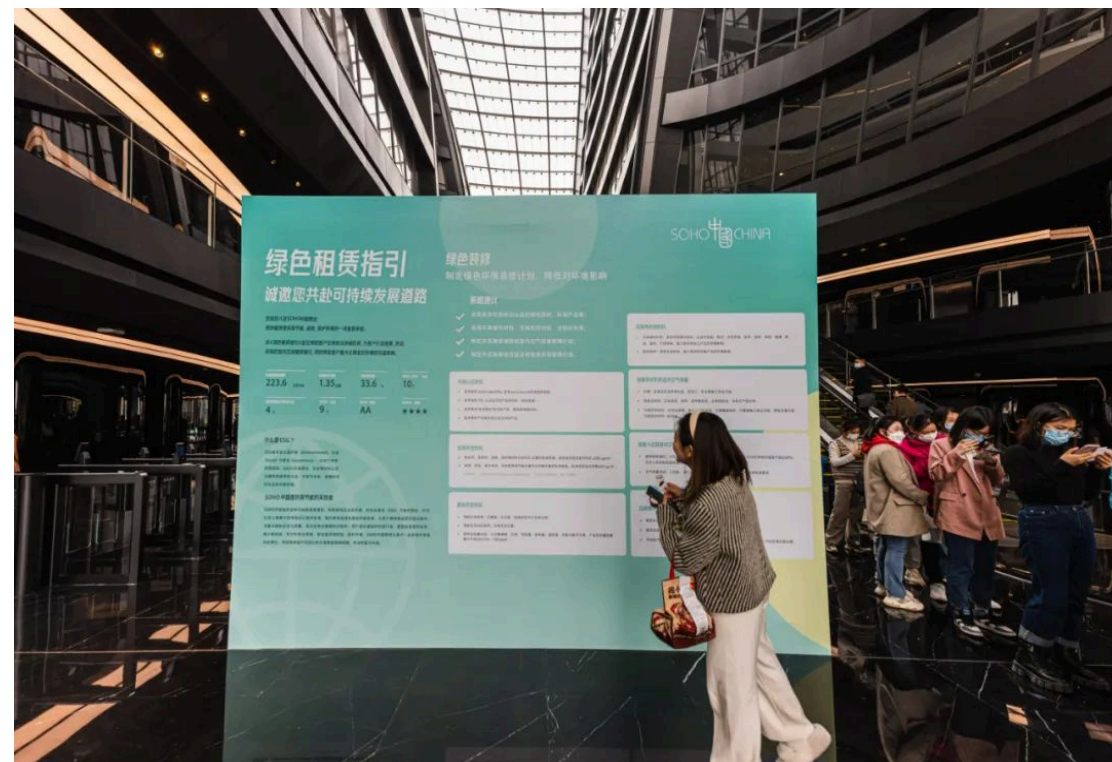
The SOHO China Foundation has invested RMB20 million to build China's first "zero carbon library" demonstration building, which is a "carbon neutral" innovation benchmark project to implement the national "dual carbon" development strategy goal.

The Yangzheng Library officially opened to the public on April 7, 2023, and has received over 10,000 readers. As of now, it has reduced carbon emissions by over 20,000 tons.

# Advocating for green leasing: *Green Leasing and Services*



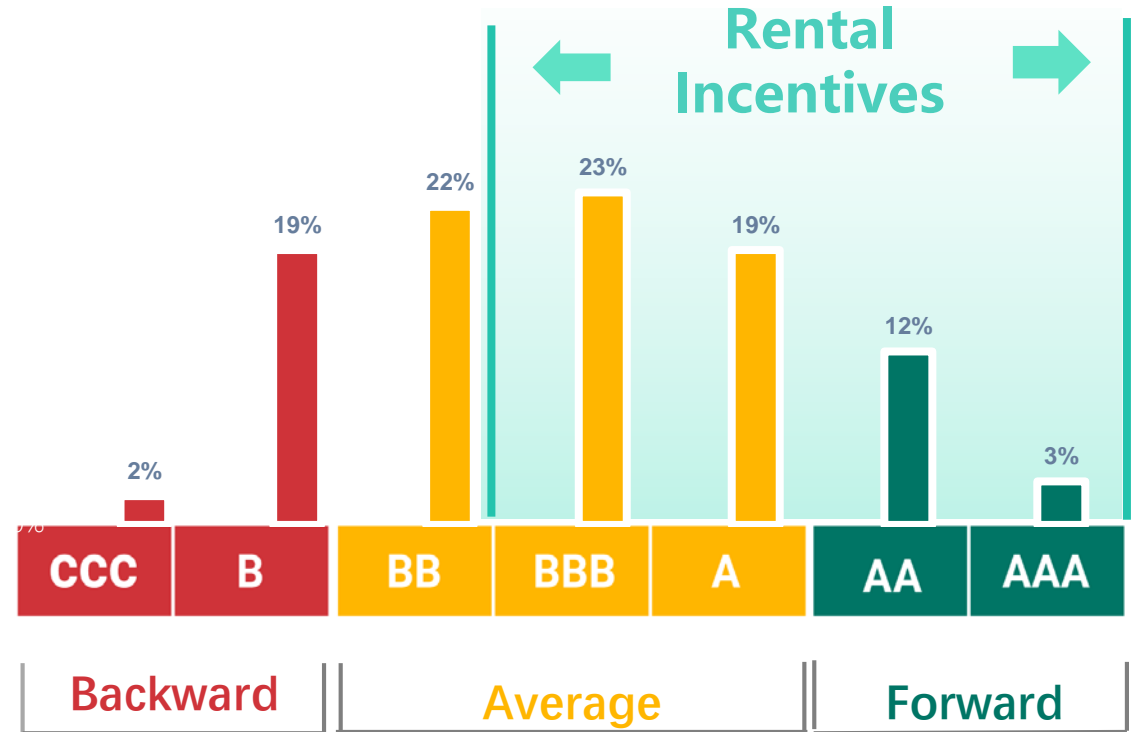
- ✓ Establishing a *green leasing working group*, formulate the *SOHO China Green Leasing Policy*, prepare the *Green Leasing Guidelines*;
- ✓ Advocating customers to sign the *Green Lease Advocacy Contract*: providing green and healthy office, free energy data analysis, green decoration consulting and other services, organize green lease activities. Tenants implemented green decoration and office work, and actively participate in green leasing activities.





# Advocating for green leasing: *Green promotion and incentives*

- ✓ Awarded “*Excellent Customer*” to “Beijing Starbucks Coffee Co., Ltd.” and “Yunnan Baiyao Group Co., Ltd.” in April 2023.
- ✓ Provide *rental incentives* for newly signed customers with MSCI rating of BBB or above ;



Note: proportion distribution percentage of each level

## Ensuring the safety of employees and customers: *Practicing fire safety training*



In June 2023, employees were organized to the local fire special service station for a one week off duty training. The participating employees lived and practiced with the fire soldiers throughout the entire process. Through practical training, all participating employees had significantly improved fire prevention, firefighting, and rescue skills, meeting the practical requirements of “early extinguishing, small extinguishing, and early extinguishing” for enterprise miniature fire stations.



Ensuring the safety of employees and customers:  
*10% of SOHO China employees hold emergency rescue certificates*



## Red Cross: Emergency Rescue Training

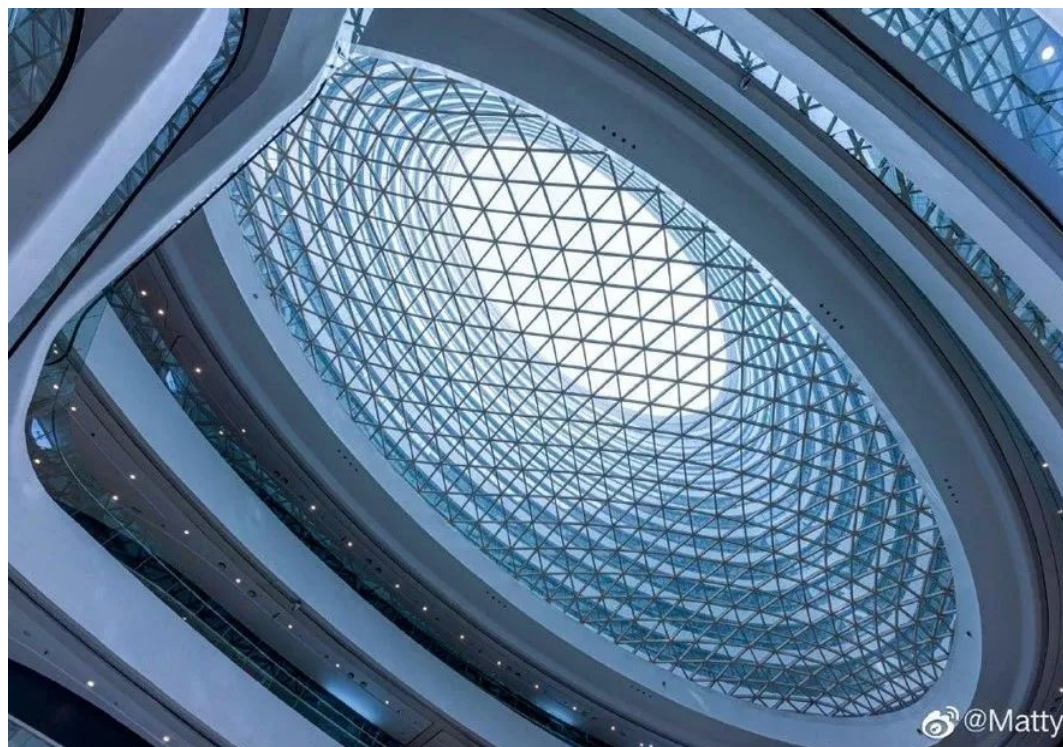
Invited professional teachers from the Chinese Red Cross Society to conduct emergency rescue training in April and May.

Through the training, the number of certified emergency rescue personnel among SOHO China employees has accounted for 10% of the total number, which will continue to rise in the future.



# Connecting Communities :

## Launching the International Photography Competition :Beauty of Zaha Architecture in the Camera

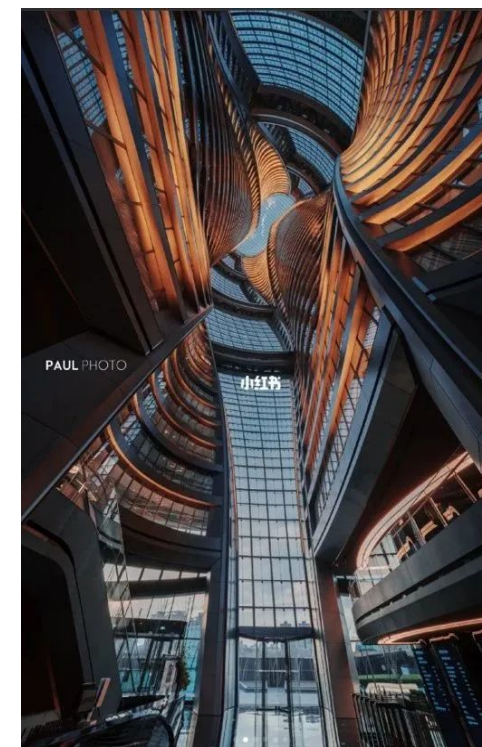


Galaxy SOHO

2<sup>nd</sup>

Best Architectural Interior Photography Award

Mattyi 《Dome》



Leeza SOHO

3<sup>rd</sup>

Best Architectural Interior Photography Award

PAUL PHOTO 《The world's highest atrium》

On May 20th, the "Beauty of Zaha Architecture in the Camera -2023 International Photography Competition" debuted at Galaxy SOHO, receiving over 1400 entries and nearly 8 million online views. The one month photography exhibition interprets cultural themes such as nature and city, architecture and life, and promotes the development of urban architecture and photography art.



# Connecting Communities : *The annual event of 'Earth Hour' arrived as scheduled*



On March 25th, Leeza SOHO held the "Earth Hour" environmental themed event initiated by the World Wide Fund for Nature. This is the third consecutive year that the project has participated in the event, aiming to enhance the environmental awareness of tenants in the building through interactive activities such as knowledge Q&A, cycling competitions, and garbage sorting games. That night, as in previous years, Leeza SOHO turned off the night lighting and floodlighting of the building for one hour, fulfilling its long-term commitment to building a green building.



# Connecting Communities : *SOHO Low-carbon Living Artist*



From August 11th to 16th, Fuxing Plaza held the “SOHO Low Carbon Living Artist” event. The static exhibition part starts from daily life scenes such as clothing, food, housing, and transportation, inspiring viewers to choose a more low-carbon lifestyle. Through the interactive experience of biological power generation, participants can feel the importance of energy conservation.

# Appendix

## Financial Summary – Income Statement

RMB million	2023H1	2022H1	YoY Change
<b>Revenue</b>	<b>822</b>	<b>896</b>	<b>-8%</b>
- Rental income	819	896	-8%
- Sales of property units	3	-	N/A
<b>Gross profit</b>	<b>678</b>	<b>742</b>	<b>-9%</b>
<i>Gross profit margin</i>	<b>83%</b>	<b>83%</b>	

## Financial Summary – Balance Sheet

RMB million	30 June 2023	31 December 2022
Investment properties	63,649	63,785
Total cash and bank deposits	688	426
Total interest-bearing debts	16,047	16,185
Total assets	68,921	68,847
Equity attributable to shareholders	36,472	36,441
<i>Net gearing ratio</i>	42%	43%



## Operation Summary – Occupancy rate of major projects

Major Projects	City	30 June 2023	31 December 2022
Qianmen Avenue	BJ	62%	48%
Wangjing SOHO	BJ	64%	62%
Guanghualu SOHO II	BJ	84%	85%
Leeza SOHO	BJ	89%	86%
Galaxy and Chaoyangmen SOHO	BJ	61%	64%
SOHO Fuxing Plaza	SH	90%	92%
Bund SOHO	SH	95%	80%
SOHO Tianshan Plaza	SH	78%	76%
Gubei SOHO	SH	91%	91%

Note : Occupancy rate for office and retail areas at the end of relevant year



## Qianmen Avenue

<b>Location</b>	Qianmen, Tiananmen South, Beijing
<b>Transportation</b>	Subway lines 1 & 2 & 8
<b>Total GFA</b>	Retail 51,889sqm
<b>Leasable GFA</b>	Retail 51,889sqm
<b>Design Firm</b>	Fei Chang Jian Zhu



## Wangjing SOHO Tower 3

<b>Location</b>	Wangjing, Beijing
<b>Transportation</b>	Subway lines 13 & 14 & 15; Airport Express
<b>Total GFA</b>	157,318 sqm
<b>Leasable GFA</b>	133,766 sqm
<b>Office</b>	123,568 sqm
<b>Retail</b>	10,198 sqm
<b>Completion Date</b>	Sep 2014
<b>Design Firm</b>	Zaha Hadid Architects





## Guanghualu SOHO II

Location	Central Business District, Beijing
Transportation	Subway lines 1 & 6 & 10
Total GFA	117,179 sqm
Leasable GFA	94,279 sqm
Office	63,308 sqm
Retail	30,971 sqm
Completion Date	Nov 2014
Design Firm	GMP



## Leeza SOHO

<b>Location</b>	Between Southwest 2 <sup>nd</sup> & 3 <sup>rd</sup> Ring Road, Beijing
<b>Transportation</b>	Completed: Line 14 Schedule: Line 11,16; New Airport line & Lize Business District Financial Street connection line
<b>Land Cost</b>	RMB 2.1 billion
<b>Development Cost</b>	RMB 1.8 billion
<b>Total GFA</b>	158,434 sqm
<b>Leasable GFA</b>	135,637 sqm
<b>Completion Date</b>	Dec 2019
<b>Design Firm</b>	Zaha Hadid Architects





## SOHO Fuxing Plaza

<b>Location</b>	Near Xintiandi, Puxi, Shanghai
<b>Transportation</b>	Subway lines 10 & 13
<b>Total GFA</b>	124,068 sqm
<b>Leasable GFA</b>	88,234 sqm
<b>Office</b>	46,344 sqm
<b>Retail</b>	41,890 sqm
<b>Completion Date</b>	Sep 2014
<b>Design Firm</b>	GMP



## Bund SOHO

<b>Location</b>	Bund, Shanghai
<b>Transportation</b>	Bund's transportation hub
<b>Total GFA</b>	104,122 sqm
<b>Leasable GFA</b>	72,006 sqm
<b>Office</b>	50,347 sqm
<b>Retail</b>	21,659 sqm
<b>Completion Date</b>	Aug 2015
<b>Design Firm</b>	GMP





## SOHO Tianshan Plaza

<b>Location</b>	Hongqiao Foreign Trade Center, Shanghai
<b>Transportation</b>	Subway line 2
<b>Total GFA [1]</b>	155,827 sqm
<b>Leasable GFA</b>	97,751 sqm
<b>Office</b>	74,498 sqm
<b>Retail</b>	23,253 sqm
<b>Completion Date</b>	Dec 2016
<b>Design Firm</b>	KPF

Note[1] including hotel areas



## Gubei SOHO

<b>Location</b>	Hongqiao Foreign Trade Center, Shanghai
<b>Transportation</b>	Subway line 10
<b>Total GFA</b>	156,654 sqm
<b>Leasable GFA</b>	112,541 sqm
<b>Office</b>	70,055 sqm
<b>Retail</b>	42,486 sqm
<b>Completion Date</b>	Jan 2019
<b>Design Firm</b>	KPF

**THANK YOU**