

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 2007

- * Net profit increased by 477% over 2006 to RMB 1,966 million, exceeding the net profit of RMB 1,624 million as set out in the prospectus of the Company dated 21 September 2007 by 21%.
- * Turnover increased by 300% over 2006 to RMB 6,954 million.
- * Earnings per share increased by 424% over 2006, reaching RMB 0.477 per share.
- * Proposed payment of a dividend of RMB 0.10 per share.

The board of directors (the “Board”) of SOHO China Limited (the “Company” or “SOHO China”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2007. The 2007 results were prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountant (“HKICPA”). The 2007 results were reviewed by the Company’s audit committee members before submission to the Board for approval.

2007 was a year of rapid economic growth in the People’s Republic of China (“PRC”), and was also one of sustained rapid development in the real estate industry. SOHO China’s results are characterized by substantial growth. The Group’s net profit increased by 477% over 2006 to RMB 1,966 million, exceeding the net profit of RMB 1,624 million as set out in the prospectus of the Company dated 21 September 2007 by 21%, while its gross profit margin reached 55%. Such strong results reflect the unique business model of SOHO China with a focus on the development and sales of high-end commercial properties in the heart of Beijing.

On 8 October 2007, SOHO China was listed on the Main Board of The Stock Exchange of Hong Kong Limited (“SOHO China Listing”), successfully raising proceeds of HK\$ 12,304 million; and SOHO China had been selected as one of the “2007 Top Ten Most Favorite IPO Enterprises in Hong Kong” by the Association of International Accountants Hong Kong Branch. The successful SOHO China Listing provided strong financial support for SOHO China to increase the volume of projects undertaken. The Group will continue to proactively identify high-end, commercial properties in the heart of Beijing and to develop high-quality, high-return projects so as to ensure sustained growth and secure higher return for its shareholders.

Rapid growth

In 2007, the Group’s turnover (net of business tax) increased by 300% over 2006, to RMB 6,954 million. The Group’s net earnings per share increased by 424% over 2006, reaching RMB 0.477 per share. In consideration of the occurrence of SOHO China Listing in October 2007, the Board has recommended the payment of 26.6% of the net profit for the whole year, i.e. RMB 0.10 per share, subject to approval by shareholders of the Company at the forthcoming annual general meeting to be held on 13 May, 2008.

Continued rapid growth in the Beijing real estate market

Amidst an environment of rapid economic growth, sales of properties in Beijing attained RMB 234.9 billion in 2007, representing a growth of 25% over 2006. Average pre-sale price for the whole year of 2007 exceeded RMB10,000 per square meter for the first time.

In order to rein in rapid increase in residential property price, the PRC government implemented a series of control policies mainly targeting residential properties. The Company’s focus on developing commercial properties is therefore less affected by these restrictions.

In 2007, the real estate market in Beijing continued its rapid growth as the demand for high-end properties in the heart of the city remained strong. The projects of SOHO China have benefited from such market dynamics, allowing the Group to achieve its remarkable results.

Continued acquisition of high-end commercial property projects in the heart of Beijing

Being a real estate developer with a unique business model, the Group has focused on the acquisition of high-quality, high-return commercial property projects in the heart of Beijing. As at the date of this announcement, except for Commune by the Great Wall and Boao Kempinski, all the other eight SOHO China's property projects, are located in prime locations in central Beijing, comprising Beijing Central Business District ("CBD") and radiating high-end commercial and retail districts such as Sanlitun and Lufthansa.

On 5 November 2007, the Group announced the acquisition of two new projects, Guanghualu SOHO II and Beijing SOHO Residences, with gross floor areas ("GFA") of approximately 180,000 square meters and 66,333 square meters, respectively. These two projects are located in prime Beijing locations, and the acquisitions are in line with the Company's development strategy. The two acquisitions were made less than one month from the SOHO China Listing, demonstrating the Company's sustained ability to execute on its business model.

Consolidated income statement for the year ended 31 December 2007

| | <i>Note</i> | 2007 <i>RMB'000</i> | 2006 <i>RMB'000</i> |
|----------------------------------------------------------------------------------------------|-------------|-------------------------------|-------------------------------|
| Turnover | 2 | 6,953,580 | 1,740,312 |
| Cost of properties sold | | (3,156,638) | (819,173) |
| Gross profit | | 3,796,942 | 921,139 |
| Other operating revenue | 3 | 90,664 | 67,249 |
| Selling expenses | | (220,934) | (89,561) |
| Administrative expenses | | (141,885) | (92,732) |
| Other operating expenses | | (97,720) | (34,855) |
| Profit from operations | | 3,427,067 | 771,240 |
| Financial income | 4(a) | 334,257 | 22,159 |
| Financial expenses | 4(a) | (4,534) | (6,202) |
| Profit before taxation | 4 | 3,756,790 | 787,197 |
| Income tax | 5 | (1,769,382) | (377,467) |
| Profit for the year | | <u>1,987,408</u> | <u>409,730</u> |
| Attributable to: | | | |
| Equity shareholders of the Company | | 1,965,660 | 340,852 |
| Minority interests | | 21,748 | 68,878 |
| Profit for the year | | <u>1,987,408</u> | <u>409,730</u> |
| Dividends payable to equity shareholders of the Company attributable to the year: | | | |
| Final dividend proposed after the balance sheet date | 6 | 523,241 | — |
| Basic and diluted earnings per share (RMB) | 7 | <u>0.477</u> | <u>0.091</u> |

Consolidated balance sheet at 31 December 2007

| | <i>Note</i> | 2007 <i>RMB'000</i> | 2006 <i>RMB'000</i> |
|------------------------------------------------------------------------|-------------|-------------------------------|-------------------------------|
| Non-current assets | | | |
| Property and equipment | | 819,782 | 441,105 |
| Restricted bank deposits | | 1,247,246 | 340,875 |
| Deferred tax assets | | 4,718 | — |
| Investment | | — | 16,522 |
| | | <hr/> | <hr/> |
| Total non-current assets | | <u>2,071,746</u> | <u>798,502</u> |
| Current assets | | | |
| Properties under development and completed properties held for sale | | 7,286,183 | 5,737,577 |
| Trade and loan receivables | 8 | 99,857 | 135,396 |
| Prepaid expenses and other receivables | | 174,470 | 298,383 |
| Amounts due from and advances to related parties | | 77,127 | 378,733 |
| Cash and cash equivalents | | 13,748,792 | 1,081,050 |
| | | <hr/> | <hr/> |
| Total current assets | | <u>21,386,429</u> | <u>7,631,139</u> |
| Current liabilities | | | |
| Bank loans | | 1,000,000 | — |
| Accrued construction expenditure and other payables | | 2,342,021 | 628,803 |
| Sales deposits | | 1,610,957 | 4,078,715 |
| Amounts due to and advances from related parties | | — | 50,391 |
| Income tax payable | | 2,732,407 | 1,281,451 |
| | | <hr/> | <hr/> |
| Total current liabilities | | <u>7,685,385</u> | <u>6,039,360</u> |
| Net current assets | | <u>13,701,044</u> | <u>1,591,779</u> |
| Total assets less current liabilities | | <u>15,772,790</u> | <u>2,390,281</u> |

| | <i>Note</i> | 2007 <i>RMB'000</i> | 2006 <i>RMB'000</i> |
|--------------------------------------------------------------------------------|-------------|-------------------------------|-------------------------------|
| Non-current liabilities | | | |
| Bank loans | | 1,000,000 | 800,000 |
| Contract retention payables | | 103,398 | 67,501 |
| Deferred tax liabilities | | 51,031 | — |
| | | <u>1,154,429</u> | <u>867,501</u> |
| Total non-current liabilities | | <u>1,154,429</u> | <u>867,501</u> |
| NET ASSETS | | <u>14,618,361</u> | <u>1,522,780</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 9 | 108,352 | 79,642 |
| Reserves | | 14,347,480 | 1,280,541 |
| | | <u>14,347,480</u> | <u>1,280,541</u> |
| Total equity attributable to the equity shareholders of the Company | | 14,455,832 | 1,360,183 |
| Minority interests | | 162,529 | 162,597 |
| | | <u>162,529</u> | <u>162,597</u> |
| TOTAL EQUITY | | <u>14,618,361</u> | <u>1,522,780</u> |

1 Basis of preparation

These financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the 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 2007 comprise the Group.

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2007

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2007 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application and has so far concluded that the adoption of them is unlikely to have a significant impact on the Group’s results of operations and financial position.

In addition, HKFRS 8, Operating segments, which is effective for annual periods beginning on or after 1 January 2009, may result in new or amended disclosures in the financial statements.

2 Turnover and segment reporting

Turnover represents revenue from the sale of property units, net of business tax.

The Group's operating segments are as follows:

(i) Shangdu – phase one

The phase one of Shangdu project is not developed under the brand name of “SOHO”. All the risks and rewards associated with the development of the phase one of Shangdu project is solely borne by Beijing Huayuan Real Estate Co., Ltd. (“Huayuan”) and Beijing Shangcheng Real Estate Development Co., Ltd. (“Shangcheng”) which manage the phase one of Shangdu project. The profits or losses and net assets relating to the phase one of Shangdu project are included in minority interests.

(ii) SOHO properties

SOHO properties represented other projects which are developed under the brand name of “SOHO”. These projects are managed by the directors of the Company.

The operating segments are determined primarily because these projects are managed separately and the properties are developed under different brand names.

| | SOHO properties <i>RMB'000</i> | Shangdu phase one <i>RMB'000</i> | Elimination <i>RMB'000</i> | Total <i>RMB'000</i> |
|-------------------------------------------------|----------------------------------------------------|------------------------------------------------------|--------------------------------------|--------------------------------|
| 2007 | | | | |
| Turnover | 6,949,300 | 4,280 | — | 6,953,580 |
| Cost of properties sold | (3,153,304) | (3,334) | — | (3,156,638) |
| Gross profit | 3,795,996 | 946 | — | 3,796,942 |
| Other operating revenue | 90,577 | 87 | — | 90,664 |
| Selling expenses | (220,900) | (34) | — | (220,934) |
| Administrative expenses | (130,224) | (11,661) | — | (141,885) |
| Other operating expenses | (97,716) | (4) | — | (97,720) |
| Profit from operations | 3,437,733 | (10,666) | — | 3,427,067 |
| Financial income | 333,701 | 556 | — | 334,257 |
| Financial expenses | (4,528) | (6) | — | (4,534) |
| Profit/(loss) before taxation | 3,766,906 | (10,116) | — | 3,756,790 |
| Income tax | (1,769,214) | (168) | — | (1,769,382) |
| Profit/(loss) for the year | <u>1,997,692</u> | <u>(10,284)</u> | <u>—</u> | <u>1,987,408</u> |
| Depreciation charged for the year | <u>27,610</u> | <u>—</u> | <u>—</u> | <u>27,610</u> |
| Segment assets | <u>23,301,216</u> | <u>156,959</u> | <u>—</u> | <u>23,458,175</u> |
| Segment liabilities | <u>8,707,005</u> | <u>132,809</u> | <u>—</u> | <u>8,839,814</u> |
| Capital expenditure incurred during the year | <u>11,694</u> | <u>—</u> | <u>—</u> | <u>11,694</u> |

| | SOHO properties <i>RMB'000</i> | Shangdu phase one <i>RMB'000</i> | Elimination <i>RMB'000</i> | Total <i>RMB'000</i> |
|-------------------------------------------------|----------------------------------------------------|------------------------------------------------------|--------------------------------------|--------------------------------|
| 2006 | | | | |
| Turnover | 1,443,688 | 296,624 | — | 1,740,312 |
| Cost of properties sold | (627,170) | (192,003) | — | (819,173) |
| Gross profit | 816,518 | 104,621 | — | 921,139 |
| Other operating revenue | 62,682 | 4,567 | — | 67,249 |
| Selling expenses | (80,134) | (9,427) | — | (89,561) |
| Administrative expenses | (79,533) | (13,199) | — | (92,732) |
| Other operating expenses | (34,825) | (30) | — | (34,855) |
| Profit from operations | 684,708 | 86,532 | — | 771,240 |
| Financial income | 21,360 | 799 | — | 22,159 |
| Financial expenses | (6,110) | (92) | — | (6,202) |
| Profit before taxation | 699,958 | 87,239 | — | 787,197 |
| Income tax | (337,298) | (40,169) | — | (377,467) |
| Profit for the year | <u>362,660</u> | <u>47,070</u> | <u>—</u> | <u>409,730</u> |
| Depreciation charged for the year | <u>18,737</u> | <u>—</u> | <u>—</u> | <u>18,737</u> |
| Segment assets | <u>8,098,615</u> | <u>336,026</u> | <u>(5,000)</u> | <u>8,429,641</u> |
| Segment liabilities | <u>6,610,269</u> | <u>301,592</u> | <u>(5,000)</u> | <u>6,906,861</u> |
| Capital expenditure incurred during the year | <u>23,764</u> | <u>—</u> | <u>—</u> | <u>23,764</u> |

3 Other operating revenue

| | 2007 | 2006 |
|--------------------------------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Income arising from hotel operations | 43,930 | 18,157 |
| Rental income | 9,140 | 7,777 |
| Commission income | 26,871 | 35,914 |
| Others | 10,723 | 5,401 |
| | <u>90,664</u> | <u>67,249</u> |

4 Profit before taxation

(a) Financial income and expenses

| | 2007 | 2006 |
|-----------------------------------------------------------------------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Financial income | | |
| Interest income | 314,230 | 22,159 |
| Net foreign exchange gain | 20,027 | — |
| | <u>334,257</u> | <u>22,159</u> |
| Financial expenses | | |
| Interest on bank and other borrowings wholly repayable within five years | 130,403 | 3,560 |
| Less: Interest expense capitalised into properties under development | (130,403) | (2,380) |
| | — | 1,180 |
| Bank charges and others | 4,534 | 5,022 |
| | <u>4,534</u> | <u>6,202</u> |

(b) Staff costs

| | 2007 | 2006 |
|-------------------------------------------------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Salaries, wages and other benefits | 102,562 | 61,674 |
| Contributions to defined contribution retirement plan | 7,060 | 5,631 |
| Equity-settled share-based payment expenses | 10,365 | — |
| | <u>119,987</u> | <u>67,305</u> |

(c) Other items

| | 2007 | 2006 |
|--------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Depreciation | <u>27,610</u> | <u>18,737</u> |

5 Income tax

| | 2007 | 2006 |
|-----------------------------|------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Provision for the year | | |
| - PRC Enterprise Income Tax | 852,011 | 215,098 |
| - Land Appreciation Tax | 909,113 | 162,369 |
| Deferred tax | 8,258 | — |
| | <u>1,769,382</u> | <u>377,467</u> |

The provision for income tax comprised PRC Enterprise Income Tax and Land Appreciation Tax.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

The provision for PRC Enterprise Income Tax for the Company's subsidiaries in the PRC is based on a statutory rate of 15% to 33% of the taxable income as determined in accordance with the relevant income tax rules and regulations of the PRC during the year.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("new tax law") which will take effect on 1 January 2008. As a result of the new tax law, it is expected that the income tax rate applicable to the Company's subsidiaries in the PRC except for Hainan Redstone Industry Co., Ltd. will be reduced from 33% to 25%, while that applicable to Hainan Redstone Industry Co., Ltd. will gradually increase from 15% to the standard rate of 25% over a five-year transition period, from 1 January 2008.

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%.

6 Dividends

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

| | 2007 | 2006 |
|-----------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Final dividend proposed after the balance sheet date of RMB0.10 per share (2006: RMB nil per share) | 523,241 | — |
| | <u> </u> | <u> </u> |

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

| | 2007 | 2006 |
|----------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Final dividend in respect of the previous financial year approved and paid during the year (2006: RMB0.05 per share) | — | 33,866 |
| | <u> </u> | <u> </u> |

7 Earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB1,965,660,000 (2006: RMB340,852,000) and the weighted average of 4,120,603,250 ordinary shares (2006: 3,750,000,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

| | <i>Note</i> | 2007 | 2006 |
|--------------------------------------------------|-------------|-------------------|-------------------|
| | | ('000) | ('000) |
| Issued ordinary shares at 1 January | (i) | 3,750,000 | 3,750,000 |
| Effect of share issued under the Global Offering | 9(ii) | 370,603 | — |
| | | <u> </u> | <u> </u> |
| Weighted average number of ordinary shares | | <u>4,120,603</u> | <u>3,750,000</u> |

During the years ended 31 December 2007 and 2006, diluted earnings per share were calculated on the same basis as basic earnings per share. The share options granted to the employees did not have dilutive effect as at 31 December 2007.

- (i) Pursuant to a written resolution of all the members of the Company passed on 29 May 2007, the Company split ordinary shares at par value of HK\$0.10 each into ordinary shares at par value of HK\$0.02 each (see Note 9(i)). The basic earnings per share for the years ended 31 December 2007 and 2006 are computed as if the split of shares had taken place at the beginning of the years ended 31 December 2007 and 2006.

8 Trade and loan receivables

| | <i>Note</i> | 2007 <i>RMB'000</i> | 2006 <i>RMB'000</i> |
|------------------------------------------------------|-------------|-------------------------------|-------------------------------|
| Trade receivables | (i) | 99,857 | 135,396 |
| Loan receivables | | 2,360 | 3,398 |
| | | <u>102,217</u> | <u>138,794</u> |
| Less: Impairment losses on bad and doubtful debts | | <u>(2,360)</u> | <u>(3,398)</u> |
| | | <u>99,857</u> | <u>135,396</u> |

- (i) These trade receivables are expected to be recovered within one year.

The ageing analysis of trade receivables are as follows:

| | 2007 <i>RMB'000</i> | 2006 <i>RMB'000</i> |
|--------------------------------------|-------------------------------|-------------------------------|
| Current or less than 1 month overdue | 34,934 | 109,115 |
| 1 to 6 months overdue | 32,883 | 15,366 |
| 6 months to 1 year overdue | 2,515 | 2,280 |
| Overdue more than 1 year | 29,525 | 8,635 |
| | <u>99,857</u> | <u>135,396</u> |

The Group's credit risk is primarily attributable to trade and loan 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 Share capital

| | Note | 2007 | | 2006 | |
|-------------------------------|------|------------------|----------------|------------------|---------------|
| | | No. of | | No. of | |
| | | shares | RMB'000 | shares | RMB'000 |
| | | ('000) | | ('000) | |
| Authorised: | | | | | |
| Ordinary shares of | | | | | |
| HK\$0.02 each | (i) | <u>7,500,000</u> | | <u>—</u> | |
| Ordinary shares of | | | | | |
| HK\$0.10 each | | <u>—</u> | | <u>1,500,000</u> | |
| Issued and fully paid: | | | | | |
| At 1 January | | 750,000 | 79,642 | 750,000 | 79,642 |
| Share split | (i) | 3,000,000 | — | — | — |
| Shares issued under the | | | | | |
| Global Offering | (ii) | <u>1,482,413</u> | <u>28,710</u> | <u>—</u> | <u>—</u> |
| At 31 December | | <u>5,232,413</u> | <u>108,352</u> | <u>750,000</u> | <u>79,642</u> |

(i) Share split

Pursuant to a written resolution of all the members of the Company passed on 29 May 2007, it was resolved that every issued and unissued ordinary shares of par value HK\$0.10 each in the capital of the Company be subdivided into 5 ordinary shares of par value HK\$0.02 each such that the Company has thereafter an authorised share capital of HK\$150,000,000 divided into 7,500,000,000 ordinary shares of par value HK\$0.02 each and issued share capital of HK\$75,000,000 divided into 3,750,000,000 ordinary shares of par value HK\$0.02 each.

(ii) Shares issued under the Global Offering

In October 2007, the Company completed the public listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and issued an aggregate of 1,482,413,000 ordinary shares of par value HK\$0.02 each at an offer price of HK\$8.30 per share, of which 154,942,000 shares were issued to the public in Hong Kong and 1,327,471,000 shares were placed with other selected institutional and professional investors (collectively, the "Global Offering"). As at 31 December 2007, all shares of the Company are listed on the Stock Exchange.

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

| Exercise period | Exercise price | 2007 Number | 2006 Number |
|-------------------------------------|-----------------------|------------------------|------------------------|
| 8 October 2008 to 7 October 2013 | HK\$8.3 | <u>12,058,000</u> | <u>—</u> |

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

Business Review

During 2007, the Group achieved per-sold/sold amount of RMB 4,032 million, pre-sold/sold 111,894 square meters (excluding car parks), for an average price of RMB 35,742 per square meter.

In 2007, the Group mainly undertook the development of five projects, namely Jianwai SOHO phase 7, SOHO Shangdu phase 3, Chaowai SOHO, Guanghualu SOHO and Sanlitun SOHO, acquired Guanghualu SOHO II and Beijing SOHO Residences. The Group completed approximately 337,000 square meters in 2007. As of 31 December 2007, approximately 788,000 square meters remain under development.

Completed projects The Group completed the sales and engineering construction on three projects during 2007, namely Jianwai SOHO phase 7, SOHO Shangdu phase 3 and Chaowai SOHO.

Jianwai SOHO is located in Beijing CBD and is opposite to the China World Trade Centre and next to Yintai Centre. With a total GFA of approximately 683,821 square meters and 24 buildings in total, it is one of the largest developments in Beijing CBD and busiest commercial areas in central Beijing.

SOHO Shangdu is located in the prime retail area in Beijing CBD. It is designed with a west wing (phase 2) and an east wing (phase 3) which are linked by a sky bridge. With a total GFA of approximately 172,176 square meters, it comprises a low-rise “shopping street” and two high-rise office buildings.

Chaowai SOHO is in Beijing CBD and is located close to SOHO Shangdu.

The design of Chaowai SOHO has a distinctive Asian element. With a total GFA of 150,028 square meters, it provides an experience of a “city within a city”. The Group’s headquarters resides in Chaowai SOHO Building A.

| Project | Total GFA (sq.m.) | Saleable area (sq.m.) | Percentage of saleable area sold by the end of 2007 | 2007 Pre-sold/ sold amount (RMB'000) | 2007 Pre-sold/ sold area (sq.m.) | 2007 Average price (RMB/sq.m.) |
|------------------------|----------------------|-----------------------------|-----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|-----------------------------------------|
| Jianwai SOHO phase 1-6 | 610,658 | 470,398 | 99.7% | 231,238 | 6,834 | 33,836 |
| Jianwai SOHO phase 7 | 73,163 | 56,488 | 97.7% | 106,366 | 3,872 | 27,470 |
| SOHO Shangdu phase 2 | 42,989 | 24,352 | 100% | 76,180 | 1,625 | 46,880 |
| SOHO Shangdu phase 3 | 129,187 | 97,091 | 100% | 159,704 | 5,500 | 29,035 |
| Chaowai SOHO | 150,028 | 108,875** | 100% | 746,257 | 21,858 | 34,141 |

* saleable area and pre-sold/sold area and amount exclude these of car parks and clubs in the projects;

** excluding 11,949 square meters the Group holds as headquarters office, etc.

Projects under construction Projects under construction include Guanghai SOHO and Sanlitun SOHO.

Guanghai SOHO is located in Beijing CBD and close to the China World Trade Centre and the Silk Market. Upon completion, Guanghai SOHO will comprise four connected commercial towers with a total planned GFA of approximately 75,766 square meters. Guanghai SOHO was 96% pre-sold by year end 2007.

Sanlitun SOHO is located close to the second embassy district and the Workers' Stadium in Beijing. The site is close to the popular Sanlitun Entertainment District. With a total planned GFA of approximately 465,680 square meters, Sanlitun SOHO will be one of the largest commercial and residential complexes available for sale in central Beijing. Pre-sales of Sanlitun SOHO are expected to commence in 2008.

| Project | Total GFA (sq.m.) | Saleable area (sq.m.) | Percentage of saleable area sold by the end of 2007 | 2007 Pre-sold/ sold amount (RMB'000) | 2007 Pre-sold/ sold area (sq.m.) | 2007 Average price (RMB/sq.m.) |
|---------------|----------------------|-----------------------------|-----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|-----------------------------------------|
| Guanghai SOHO | 75,766 | 58,861 | 96% | 2,151,523 | 56,583 | 38,024 |
| Sanlitun SOHO | 465,680 | 360,000 | — | — | — | — |

* saleable area and pre-sold/sold area and amount exclude these of car parks and clubs in the projects.

Newly acquired projects Newly acquired projects include Beijing SOHO Residences and Guanghai SOHO II.

Beijing SOHO Residences is located in the Lufthansa Business Circle in central Beijing and is a high-end apartment project with a total GFA of approximately 66,333 square meters. We acquired this project on 2 November 2007, less than one month after the SOHO China Listing. The total purchase price was RMB 1,412 million. On 19 December 2007, Beijing SOHO Residences commenced pre-sale, as the main structure had been completed upon acquisition. As of 31 December 2007, the pre-sale amount had reached RMB 453 million achieving an average price of RMB 46,812 per square meter, the second highest in Beijing during 2007.

Guanghualu SOHO II is located in the heart of the Beijing CBD with a total GFA of approximately 180,000 square meters. We acquired this project on 2 November 2007, less than one month after the SOHO China Listing. The total purchase price was RMB 1,029 million. Guanghualu SOHO II will undergo land leveling and is expected to commence construction about one year after acquisition.

Financial Review

Turnover analysis

Turnover (net of business tax) for 2007 was RMB 6,954 million, representing an increase of RMB 5,214 million or 300% over RMB 1,740 million in 2006. The increase in turnover for 2007 was mainly attributable to an increase in the GFA delivered and the average selling price thereof. The GFA delivered increased from 84,143 square meters in 2006 to 282,052 square meters(excluding car parks delivered) in 2007. The average selling price of delivered properties (excluding car parks delivered) increased from RMB 20,403 per square meter to RMB 24,441 per square meter in 2007, representing an increase of 20%.

Cost analysis

Costs of property sold for 2007 was RMB 3,157 million. The increase in cost for 2007 was mainly attributable to an increase in the GFA delivered.

Gross profit margin analysis

Gross profit for 2007 was RMB 3,797 million, representing an increase of RMB 2,876 million or 312% over RMB 921 million in 2006. Gross profit margin was 55%, comparing to 53% in 2006.

Net profit margin analysis

Net profit for 2007 was RMB 1,966 million, representing an increase of RMB 1,625 million or 477% over RMB 341 million in 2006. Net profit margin was 28% in 2007 and 20% in 2006, representing an increase of 8%.

Cash and Bank loans analysis

Cash and cash equivalents for 2007 was RMB 13,749 million representing an increase of RMB 12,668 million or 1172% over RMB 1,081 million in 2006. The loan balance was RMB 2 billion for the Group for 2007. The gearing ratio is 8.5% as of 31 December 2007.

Expenses analysis

Sales expenses for 2007 were RMB 221 million, representing 3% of turnover. Administrative expenses were RMB 142 million, representing 2% of turnover. These compared to 5% and 5% respectively in 2006.

Financial income analysis

Financial income for 2007 was RMB 334 million, comparing to RMB 22 million for 2006. The increase in financial income was mainly attributable to interest accrued from application funds held during the SOHO China Listing and the deposits from the IPO proceeds.

Other information

Staff

As of 31 December 2007, the Group employed 298 permanent employees, increased by 32% over 2006. The Group had 227 indirectly hired sales and leasing staff member, increased by 55% over 2006. In addition, there were 253 staff members in Commune by the Great Wall, increased by 38% over 2006. The increase in the staff level reflected the expansion of the Group's operations in 2007.

Dividend

The Board has approved a resolution to recommend the payment of a dividend of RMB 0.10 per share for the year of 2007. The total dividend payment represents 26.6% of net profit which is in excess of the minimum figure committed in the prospectus dated 21 September 2007. The proposed dividend, if approved by shareholders at the annual general meeting to be held on 13 May 2008, will be paid to shareholders of record as of 5 May 2008 (see the paragraph headed "Closure of register of members" below.)

Pursuant to the Articles of Association of the Company, the Board has also recommended to pay the dividend in Hong Kong dollar. The exchange rate adopted for conversion is the average closing exchange rate published by the People's Bank of China of the five business days prior to the declaration of dividends.

Purchase, redemption or sale of listed securities of the Company

During the period between the date of the SOHO China Listing and 31 December 2007, the Group did not purchase, sell or redeem any of the Company's listed securities.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Rules governing the Listing of Securities on the Stock Exchange (“Listing Rules”) as its code of conduct regarding securities transactions by its directors. Having made enquiries to all the directors of the Company, all the directors confirmed that they have complied with the Model Code for the period from the date of the SOHO China Listing to 31 December 2007.

Code on Corporate Governance Practice

The Company has been improving its governance system, including maintaining and improving the management quality of the Board, internal controls, shareholder transparency, and credibility of the Company with its shareholders. The Company strongly believes that a good governance system will bring long-term benefits to the Company and its shareholders. From the date of the SOHO China Listing to 31 December 2007, the Company has strictly complied with the Code on Corporate Governance Practice (“Code”) as set out in Appendix 14 to the Listing Rules.

Audit committee

The Company has established an audit committee on 14 September 2007 with written terms of reference in compliance with the Listing Rules and Code. The primary duties of the audit committee include reviewing and supervising the financial reporting process and internal control of the Company and nominate and monitor external auditors.

The audit committee consists three members, namely Dr. Ramin KHADEM (Chairman), Mr. Cha Mou Zing, Victor, and Mr. Yi Xiqun, all of whom are independent non-executive directors of the Company.

The 2007 results of the Group were reviewed by the Company’s audit committee members before submission to the Board for approval.

Remuneration committee

The Company has established the remuneration committee in accordance with Appendix 14 to the Listing Rules. The remuneration committee consists of Dr. Ramin KHADEM (Chairman), Mr. Cha Mou Zing, Victor and Mr. Yi Xiqun, all of whom are independent non-executive directors of the Company. The major responsibilities of the remuneration committee include reviewing and formulating a specific remuneration system for directors and senior managers of the Company in accordance with the policies and structure of the Company.

The remuneration committee has reviewed the remunerations payable to all directors and senior managers of the Company in accordance with the terms of the contracts and considers the remuneration level is reasonable and does not create an extra burden on the Company.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 6 May 2008 to Tuesday, 13 May 2008 (both days inclusive), during such period no transfer of shares will be registered. To ensure the entitlement to the final dividend, which will be resolved and voted at the forthcoming annual general meeting of the Company (“AGM”) and eligible 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 Monday, 5 May 2008.

Annual general meeting

The AGM of the Company will be held in Hong Kong on Tuesday, 13 May 2008. Notice of the AGM will be issued and disseminated to shareholders in due course.

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.

Appreciation

We are very glad to take this opportunity to express our gratitude to our shareholders, investors, business partners and customers for their continued trust in us. We would also like to express our heartfelt thanks to our directors and all our staff for their contribution to our Company's successes during 2007.

By virtue of high-levels of sustained commitment and by unrelenting focus, we believe SOHO China will continue to be a leader in the real estate industry of China.

By order of the Board of
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 9 March 2008

As at the date of this announcement, the Board comprises Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Yan Yan and Mr. Su Xin, being the executive directors of the Company and Mr. Cha Mou Zing, Victor, Dr. Ramin KHADEM and Mr. Yi Xiqun, being the independent non-executive directors of the Company.