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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)

DISCLOSEABLE TRANSACTION

ACQUISITION OF THE EXCHANGE

THE STOCK PURCHASE AGREEMENT

The Board wishes to announce that on 18 August 2009, Meath, a wholly-owned subsidiary of the Company, entered into the Stock Purchase Agreement to acquire the entire issued share capital of MSREF Anderson, a company that through its wholly-owned subsidiaries indirectly holds the property title to the entire building of The Exchange, a multi-storey office and retail complex located at No. 1486, Nan Jing Road West, Shanghai, the PRC.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Stock Purchase Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE STOCK PURCHASE AGREEMENT

The Board wishes to announce that on 18 August 2009, (1) Meath, a wholly-owned subsidiary of the Company, as purchaser, (2) the Company as purchaser's guarantor, (3) MSR Asia and (4) Anderson as sellers, and (5) MSREF Anderson entered into the Stock Purchase Agreement, pursuant to which (a) MSR Asia agreed to sell, and Meath agreed to purchase, the MSR Asia Shares and the Shareholder Loans; and (b) Anderson agreed to sell, and Meath agreed to purchase, the Anderson Shares.

The principal terms of the Stock Purchase Agreement are as follows:

- Date:** 18 August 2009
- Parties:**
- (1) Meath, a wholly-owned subsidiary of the Company, as purchaser
 - (2) the Company, as purchaser's guarantor
 - (3) MSR Asia, as seller of the MSR Asia Shares and the Shareholder Loans
 - (4) Anderson, as seller of the Anderson Shares
 - (5) MSREF Anderson

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, MSR Asia and Anderson and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Subject matter: Pursuant to the terms of the Stock Purchase Agreement, (a) MSR Asia agreed to sell, and Meath agreed to purchase, the MSR Asia Shares and the Shareholder Loans; and (b) Anderson agreed to sell, and Meath agreed to purchase, the Anderson Shares.

Consideration and adjustment mechanism: USD equivalent of RMB2,450,000,000.00 plus the amount of working capital as of the date falling three Business Days prior to the Closing Date ("**Closing Working Capital**"). In the event that Meath and the Sellers are unable to agree on the amount of the Closing Working Capital prior to Closing, Closing shall take place using the amount set forth in the pro forma closing working capital statement as of 31 July 2009 as attached to the Stock Purchase Agreement and the purchase price shall be subject to the following post-Closing adjustments after the amount of the Closing Working Capital is agreed or determined pursuant to the Stock Purchase Agreement:

- (1) Meath shall pay to the Sellers (90% to MSR Asia and 10% to Anderson) an amount equal to the amount, if any, by which the amount of Closing Working Capital exceeds the amount set forth in the pro forma closing working capital statement attached to the Stock Purchase Agreement; or
- (2) Meath shall receive from the Sellers (90% from MSR Asia and 10% from Anderson) an amount equal to the amount, if any, by which the amount set forth in the pro forma closing working capital statement attached to the Stock Purchase Agreement exceeds the Closing Working Capital.

The amount of the Closing Working Capital as set forth in the pro forma closing working capital statement attached to the Stock Purchase Agreement is approximately USD18,291,462.47. It is currently contemplated that any adjustment in the consideration will not result in a change in the classification of the transaction. However, the Company will comply with the relevant requirements of the Listing Rules if there is an upward change in the classification of the transaction after the consideration is finalised.

The above consideration was arrived at after arm's length negotiation between Meath, MSR Asia and Anderson and was determined by reference to the recent market value of comparable properties nearby the Target Property.

The Company currently intends to finance the consideration for the acquisition of MSREF Anderson by bank borrowing.

Conditions
precedent:

The obligations of Meath, MSR Asia and Anderson to consummate the transactions contemplated under the Stock Purchase Agreement are subject to the satisfaction or written waiver on or prior to the Closing Date of the following conditions:

- (1) no injunction, order, decree or judgment having been issued by any governmental entity of competent jurisdiction and be in effect, and no statute, rule or regulation having been enacted or promulgated by any governmental entity and be in effect, which in either case materially restrains or prohibits the consummation of the transactions contemplated by the Stock Purchase Agreement;
- (2) the representations and warranties of each of Meath, MSR Asia and Anderson contained in the Stock Purchase Agreement having been true and correct as of the Closing Date and each of Meath, MSR Asia, Anderson and the Company having performed and complied with all covenants and agreements required to be performed or complied with by it under the Stock Purchase Agreement on or prior to the Closing Date; and
- (3) each of Meath, MSR Asia and Anderson having made the deliveries required to be made by it to the other party at Closing under the Stock Purchase Agreement.

Payment: The purchase price will be paid on the Closing Date by Meath, which shall be applied as follows:

- (1) to the repayment of the total outstanding amount of the Loan Facility as at the Closing Date and, without duplication, all amounts payable for termination of the Hedging Agreements in the amount(s) and to the payee(s) as directed by MSREF Anderson;
- (2) USD114,796,013.38 shall be paid to MSR Asia as the purchase price for the Shareholder Loans; and
- (3) the balance of the consideration shall be paid by Meath as to 90% to MSR Asia and 10% to Anderson.

Indemnification: *Indemnification given by the Sellers and MSR Asia Guarantor*

The Sellers shall severally (90% by MSR Asia and 10% by Anderson), indemnify and hold Meath and its affiliates and their respective representatives (the “**Purchaser Indemnitees**”) harmless from and against any and all damages suffered by any Purchaser Indemnatee arising out of:

- (1) any breach of any representation or warranty regarding any company in the Target Group; and
- (2) any breach of any covenant of MSREF Anderson contained in the Stock Purchase Agreement.

The aggregate liability of the Sellers above shall not exceed RMB245,000,000.00, and except for the Sellers’ liability under tax matters, the Sellers shall not be liable for any damage less than RMB1,000,000.00.

Upon Closing, MSR Asia shall deliver to Meath a guarantee made by MSR Asia Guarantor in the form attached to the Stock Purchase Agreement, pursuant to which MSR Asia Guarantor shall guarantee the indemnification obligations of MSR Asia under the Stock Purchase Agreement.

Indemnification given by Meath and the Company

Meath and the Company, jointly and severally, shall indemnify and hold the Sellers, MSREF Anderson and their respective affiliates and their respective representatives (“**Sellers Indemnitees**”) harmless from and against any and all damages suffered by any Sellers Indemnatee arising out of:

- (1) any breach of any representation or warranty of Meath;
- (2) any breach of any covenant of the Company or Meath contained in the Stock Purchase Agreement; and
- (3) any failure after the Closing by the Company, Meath, MSREF Anderson or any of their affiliates to perform their obligations under the Stock Purchase Agreement.

Termination:

The Stock Purchase Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of MSR Asia, Anderson and Meath;
- (b) by MSR Asia (acting for and on behalf of the Sellers) or Meath, if the Closing shall not have occurred on or before the Closing Date (or such later date as may be agreed by MSR Asia, Anderson and Meath in writing), otherwise than as a result of any breach of any provision of the Stock Purchase Agreement by the party seeking to terminate the Stock Purchase Agreement; or
- (c) by MSR Asia or Meath, if any court of competent jurisdiction or other governmental entity shall have permanently enjoined, restrained or otherwise prohibited the consummation of the transactions contemplated by the Stock Purchase Agreement and such injunction, restraint or prohibition shall have become final and non-appealable; provided that the party seeking to terminate the Stock Purchase Agreement shall have used its best efforts to prevent and remove such injunction, restraint or prohibition.

INFORMATION ON THE COMPANY AND MEATH

The Company

The Company is a company incorporated in the Cayman Islands with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The principal business activities of its major subsidiaries are development and sale of commercial properties in central Beijing.

Meath

Meath is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement. The principal business activity of Meath is investment holding.

INFORMATION ON MSR ASIA, ANDERSON, MSR ASIA GUARANTOR AND THE TARGET GROUP

The Directors are informed that:

MSR Asia

MSR Asia is a company incorporated in the Cayman Islands with limited liability. MSR Asia is principally engaged in investment holding.

Anderson

Anderson is a company incorporated in the British Virgin Islands with limited liability. Anderson is principally engaged in investment holding.

MSR Asia Guarantor

MSR Asia Guarantor is a company incorporated in the Cayman Islands with limited liability. MSR Asia Guarantor is principally engaged in investment holding.

MSREF Anderson

MSREF Anderson is a company incorporated in the Cayman Islands with limited liability, which was owned as to 90% by MSR Asia and 10% by Anderson as at the date of this announcement. MSREF Anderson is principally engaged in investment holding.

The audited net loss both before and after taxation and extraordinary items of the Target Group for the financial year ended 31 December 2007 was both approximately USD7.7 million based on the U.S. generally accepted accounting principles. The audited net profit both before and after taxation and extraordinary items of the Target Group for the financial year ended 31 December 2008 were approximately USD17.0 million and USD16.8 million, respectively based on the U.S. generally accepted accounting principles.

The net asset value of the Target Group as at 31 December 2008 was approximately USD13.5 million.

The BVI Project Companies

Each BVI Project Company is a company incorporated in the British Virgin Islands with limited liability. Each BVI Project Company is principally engaged in investment holding. MSREF Anderson owns the entire issued share capital of each BVI Project Company.

The HK Project Companies

Each HK Project Company is a company incorporated in Hong Kong with limited liability. Each HK Project Company is principally engaged in investment holding. Each BVI Project Company owns the entire issued share capital of each HK Project Company. The HK Project Companies own the property title to the entire Target Property.

INFORMATION ON THE TARGET PROPERTY

The Target Property is located at the centre of Nanjing Road West CBD in Shanghai. The Nanjing Road West CBD is a unique location for prime commercial projects. It includes a concentration of five-star hotels, high-end shopping centers and easy accessibility with two metro lines plus proximity to Yan'an Elevated Highway. The Target Property is located within walking distance from Portman Ritz-Carlton Hotel, Plaza 66, and Kerry Center Shanghai.

The Target Property is a multi-storey office and retail complex with total above ground saleable GFA of 71,671 square meters for commercial use and a total below ground saleable GFA of 8,838 square meters for car parks and storage. Construction was completed in June 2008.

The Target Property is approximately 30% rented as of the date of this announcement. The tenants consist of multinational companies.

REASONS FOR ENTERING INTO THE STOCK PURCHASE AGREEMENT

The acquisition of the Target Property will mark the Company's committed strategy to expand into central Shanghai. As one of the largest commercial property developers in China, the Group's expansion into Shanghai is consistent with its business strategies. Acquisition of the Target Property will be the first Shanghai project for the Group and it is in line with the Group's core strategy of developing large scale commercial properties in the most vibrant and prime locations in Beijing and now Shanghai. The Directors first consider the unique location of the Target Property in the heart of Nanjing Road West CBD and its easy accessibility as compelling attributes for the acquisition. The Directors also consider the acquisition in Shanghai as the means to broaden the portfolio of investment projects for the Company's clients.

The Directors further consider that the terms of the Stock Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Stock Purchase Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context requires otherwise:

“Anderson”	Anderson Commercial Property Limited, a company incorporated in the British Virgin Islands with limited liability
“Anderson Shares”	100 shares of USD1.00 each in MSREF Anderson held by Anderson, representing 10% of the the entire issued share capital of MSREF Anderson
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day(s)”	any day other than Saturday, Sunday or any other day on which banks in Hong Kong are required or permitted to close
“BVI Project Companies”	10 companies, all of which are incorporated in the British Virgin Islands, the entire issued share capital of each of which is wholly-owned by MSREF Anderson as at the date of this announcement and each a “BVI Project Company”

“Closing”	the closing of the purchase and sale of each of the MSR Asia Shares, the Shareholder Loans and the Anderson Shares under the Stock Purchase Agreement
“Closing Date”	1 September 2009 or such other date as mutually agreed between Meath, MSR Asia and Anderson
“Company”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hedging Agreements”	in relation to the Loan Facility, (a) the ISDA 2002 Master Agreement dated 2 February 2007 between MSREF Anderson and Deutsche Bank AG, (b) a confirmation letter issued by Deutsche Bank AG dated 4 June 2007 and (c) a non-deliverable USD/CNY cross currency swap dated 21 November 2007, in each case as amended, modified or supplemented from time to time
“HK Project Companies”	10 companies, all of which are incorporated in Hong Kong, the entire issued share capital of each of which is wholly-owned by each BVI Project Company as at the date of this announcement and each a “HK Project Company”
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Facility”	the US\$230,000,000.00 Term Loan Facility Agreement dated 15 December 2006 between, among others, Deutsche Bank AG, Hong Kong Branch, as lender, and MSREF Anderson, as borrower, as amended, modified or supplemented from time to time

“Meath”	Meath International Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement
“MSR Asia”	MSR Asia Acquisitions XVIII, Inc., a company incorporated in the Cayman Islands with limited liability
“MSR Asia Guarantor”	MSREF V Investments (China) Ltd., a company incorporated in the Cayman Islands with limited liability
“MSR Asia Shares”	900 shares of USD1.00 each in MSREF Anderson held by MSR Asia, representing 90% of the entire issued share capital of MSREF Anderson
“MSREF Anderson”	MSREF Anderson Holdings Limited, a company incorporated in the Cayman Islands and is owned as to 90% by MSR Asia and 10% by Anderson as at the date of this announcement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sellers”	collectively, MSR Asia and Anderson
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder Loans”	shareholder loans given by MSR Asia to MSREF Anderson of a total outstanding principal of USD114,796,013.38 as at 1 September 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Purchase Agreement”	the stock purchase agreement dated 18 August 2009 entered into among Meath, the Company, MSR Asia, Anderson and MSREF Anderson in relation to, among others, the proposed acquisition of the entire issued share capital of MSREF Anderson by Meath from MSR Asia and Anderson
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Group”	collectively, MSREF Anderson, the BVI Project Companies and the HK Project Companies

“Target Property”	the entire building of The Exchange, a multi-storey office and retail complex located at No. 1486, Nan Jing Road West, Shanghai, the PRC and the related land use rights
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 18 August 2009

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