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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 BEIJING NEXUS CENTRE

THE QUOTA PURCHASE AGREEMENT

The Board wishes to announce that on 18 November 2009, Shimmer Win, a wholly-owned subsidiary of the Company, entered into the Quota Purchase Agreement to acquire all the issued and outstanding common quotas of Bluewater, a company that through its wholly-owned subsidiary indirectly holds the property title to the entire building known as “Nexus Centre”, a 37-storey office and retail complex located at East Third Ring Road, Beijing, the PRC. Nexus Centre is a completed grade-A building with total gross GFA of 103,340 square meters and total above ground saleable GFA of 82,165 square meters. It is located at the busiest part of East Third Ring Road, Beijing, and directly adjacent to both Beijing CBD and Sanlitun. With direct access to the No. 10 Subway Line, it is convenient in every direction. The Company will rename it as “SOHO Nexus Centre” after completion of the acquisition.

LISTING RULES IMPLICATIONS

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

THE QUOTA PURCHASE AGREEMENT

The Board wishes to announce that on 18 November 2009, (1) Shimmer Win, a wholly-owned subsidiary of the Company, as purchaser, (2) CVI, (3) SCJ, (4) CII, (5) CRE and (6) CREP as sellers, and (7) Bluewater entered into the Quota Purchase Agreement, pursuant to which CVI, SCJ, CII, CRE and CREP agreed to sell, and Shimmer Win agreed to purchase, the Sale Quotas, representing 100% equity interest in Bluewater.

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

Date: 18 November 2009

Parties:

- (1) Shimmer Win, a wholly-owned subsidiary of the Company, as purchaser
- (2) CVI
- (3) SCJ
- (4) CII
- (5) CRE
- (6) CREP, together with parties (2) to (5) above, as sellers
- (7) Bluewater

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of CVI, SCJ, CII, CRE and CREP 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 Quota Purchase Agreement, CVI, SCJ, CII, CRE and CREP agreed to sell, and Shimmer Win agreed to purchase, the Sale Quotas, representing 100% equity interest in Bluewater. Bluewater holds 100% equity interest in the WFOE and the WFOE owns the property title to the Target Property.

Consideration and adjustment mechanism: USD equivalent of RMB1,290,000,000 adjusted by a sum calculated based on the agreed treatment of certain individual account items from the consolidated balance sheet of Bluewater as of 30 November 2009 (“**Closing Net Adjustment Amount**”). In addition, the Group shall provide funds to the WFOE for the repayment of all outstanding principal under a loan facility granted by the Wangfujing Branch of Industrial and Commercial Bank of China to the WFOE. The outstanding principal as of the date of this announcement is RMB1,050,000,000.

In the event that Shimmer Win and CVI (acting for and on behalf of the Sellers) are unable to agree on the Closing Net Adjustment Amount prior to Closing, Closing shall take place using the amount set forth in the pro forma closing adjustment schedule as attached to the Quota Purchase Agreement (“**Pro Forma Closing Adjustment Schedule**”) and the purchase price shall subject to the following post-Closing adjustments after the Closing Net Adjustment Amount is agreed or determined pursuant to the Quota Purchase Agreement:

- (1) Shimmer Win shall pay to the Sellers on a pro rata basis in proportion to their respective Distribution Ratios an amount equal to the amount, if any, by which the Closing Net Adjustment Amount exceeds the amount set forth in the Pro Forma Closing Adjustment Schedule; or
- (2) Shimmer Win shall receive from the Sellers on a pro rata basis in proportion to their respective Distribution Ratios an amount equal to the amount, if any, by which the amount set forth in the Pro Forma Closing Adjustment Schedule exceeds the Closing Net Adjustment Amount.

The Closing Net Adjustment Amount as set forth in the Pro Forma Closing Adjustment Schedule is RMB-2,650,000. 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 Shimmer Win and the Sellers and was determined by reference to the recent market value of comparable properties in Beijing.

Conditions
precedent:

The obligations of Shimmer Win and the Sellers to consummate the transactions contemplated under the Quota 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 been in effect, and no statute, rule or regulation having been enacted or promulgated by any governmental entity and been in effect, which in either case materially restrains or prohibits the consummation of the transactions contemplated by the Quota Purchase Agreement;
- (2) the representations and warranties of each of Shimmer Win and the Sellers contained in the Quota Purchase Agreement having been true and correct in all material respects as of the Closing Date and each of the Sellers, Shimmer Win and Bluewater having performed and complied in all material respects with all covenants and agreements required to be performed or complied with by it under the Quota Purchase Agreement on or prior to the Closing Date;
- (3) each of Shimmer Win, the Sellers and Bluewater having made the deliveries required to be made by it under the Quota Purchase Agreement; and

- (4) termination of the Quotaholders Agreement, the Asset Management Agreement and the Investment Management Agreement without causing any liability to Bluewater and the WFOE as a result of such termination.

Payment:

The purchase price will be paid by Shimmer Win, which shall be paid as follows:

- (1) Within three Business Days after execution of the Quota Purchase Agreement, Shimmer Win shall deposit the sum of USD10,000,000 (“**Escrow Amount**”) into a USD denominated escrow account (“**Escrow Account**”) pursuant to an escrow agreement dated the same date as the Quota Purchase Agreement (“**Escrow Agreement**”) among Shimmer Win, CVI (acting for and on behalf of the Sellers) and Standard Chartered Bank (China) Limited, Shanghai Branch (“**Escrow Agent**”).
- (2) On the Closing Date,
 - (a) an amount of USD9,000,000 out of the Escrow Account shall be released to CVI (acting for and on behalf of the Sellers) by the Escrow Agent in accordance with the Escrow Agreement; and
 - (b) the remaining balance of the purchase price (save for the remaining amount of USD1,000,000 in the Escrow Account) shall be paid by Shimmer Win to the Sellers in proportion to each Seller’s respective Distribution Ratio.
- (3) The remaining amount of USD1,000,000 in the Escrow Account shall be released to CVI (acting for and on behalf of the Sellers) on the date which is 14 days after the Closing Date.

Indemnification:

Indemnification given by the Sellers

The Sellers shall severally (in proportion to their respective Distribution Ratios), indemnify and hold Shimmer Win and its affiliates and their respective representatives (the “**Purchaser Indemnitees**”) harmless from and against any and all damages suffered by any Purchaser Indemnitee arising out of:

- (1) any breach of any representation or warranty regarding any member in the Target Group; and
- (2) any breach of any covenant of Bluewater contained in the Quota Purchase Agreement.

The aggregate liability of the Sellers under the Quota Purchase Agreement shall not exceed RMB234,000,000, and the aggregate liability of each Seller under the Quota Purchase Agreement shall not exceed RMB234,000,000 multiplied by its Distribution Ratio.

Indemnification given by Shimmer Win

Shimmer Win shall indemnify and hold the Sellers, Bluewater and their respective affiliates and their respective representatives (“**Sellers Indemnitees**”) harmless from and against any and all damages suffered by any Sellers Indemnitee arising out of:

- (1) any breach of any representation or warranty of Shimmer Win; and
- (2) any breach of any covenant of Shimmer Win contained in the Quota Purchase Agreement.

Termination:

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

- (a) by the mutual written consent of CVI (acting for and on behalf of the Sellers) and Shimmer Win;
- (b) by CVI (acting for and on behalf of the Sellers) or Shimmer Win, if the Closing shall not have occurred on or before 12:00 p.m. (Beijing time) on the date which is 60 days after the date of the Quota Purchase Agreement, provided that the party seeking to terminate the Quota Purchase Agreement shall not be in material breach of any provision of the Quota Purchase Agreement;
- (c) by CVI (acting for and on behalf of the Sellers) or Shimmer Win, 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 Quota Purchase Agreement and such injunction, restraint or prohibition shall have become final and non-appealable; provided that the party seeking to terminate the Quota Purchase Agreement shall have used its best efforts to prevent and remove such injunction, restraint or prohibition; or
- (d) by CVI (acting for and on behalf of the Sellers), if Shimmer Win fails to deposit the Escrow Amount into the Escrow Account.

INFORMATION ON THE COMPANY AND SHIMMER WIN

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 and Shanghai.

Shimmer Win

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

INFORMATION ON THE SELLERS AND THE TARGET GROUP

The Directors are informed that:

CVI

CVI is a limited partnership organised under the laws of the Cayman Islands. CVI is principally engaged in investment holding.

SCJ

SCJ is an exempted company incorporated under the laws of the Cayman Islands. SCJ is principally engaged in investment holding.

CII

CII is a limited liability company formed under the laws of the State of Nevada, United States of America. CII is principally engaged in investment holding.

CRE

CRE is a limited liability company formed under the laws of the State of Delaware, United States of America. CRE is principally engaged in investment holding.

CREP

CREP is a corporation limited by shares formed under the laws of the British Virgin Islands. CREP is principally engaged in investment holding.

Bluewater

Bluewater is a duly licensed international society with restricted liability under the laws of Barbados, which was owned as to 89.11% by CVI, 10% by SCJ, 0.47% by CII, 0.33% by CRE and 0.09% by CREP as at the date of this announcement. Bluewater is principally engaged in investment holding.

The WFOE

The WFOE is a wholly foreign-owned enterprise duly organised and established in the PRC, which was wholly-owned by Bluewater as at the date of this announcement. The WFOE is principally engaged in holding and management of the Target Property.

The audited net loss both before and after taxation and extraordinary items of Bluewater for the financial year ended 31 December 2007 was approximately USD900,000 based on the U.S. generally accepted accounting principles. The audited net loss both before and after taxation and extraordinary items of Bluewater for the financial year ended 31 December 2008 was approximately USD14,700,000 based on the U.S. generally accepted accounting principles. The net asset value of Bluewater as at 31 December 2008 was approximately USD272,300,000.

The audited net loss both before and after taxation and extraordinary items of the WFOE for the financial year ended 31 December 2007 was approximately USD1,300,000 based on the P.R.C accounting standards. The audited net loss both before and after taxation and extraordinary items of the WFOE for the financial year ended 31 December 2008 was approximately USD20,400,000 based on the P.R.C accounting standards. The net asset value of the WFOE as at 31 December 2008 was approximately USD108,400,000.

The Target Group does not have audited consolidated financial statements as at the date of this announcement.

INFORMATION ON THE TARGET PROPERTY

The Target Property is located at the busiest part of East Third Ring Road and directly adjacent to the gleaming Beijing CBD and vibrant Sanlitun. It also enjoys direct access to the No. 10 Subway Line.

The Target Property is a 37-storey office and retail complex with a total gross GFA of 103,340 square meters and total above ground saleable GFA of 82,165 square meters. The Target Property is a completed grade-A commercial property. Construction for the Target Property was completed in February 2008.

The Target Property is approximately 30% leased as of the date of this announcement. The tenants consist of multinational companies. The Company will rename the Target Property as “SOHO Nexus Centre” after completion of the acquisition.

REASONS FOR ENTERING INTO THE QUOTA PURCHASE AGREEMENT

The acquisition of the Target Property will reinforce the Company’s strategy to acquire completed grade-A commercial properties in Beijing and Shanghai from institutional investors. The Company expects to fully leverage its existing extensive client base as well as its strong sales and leasing team to enhance and realise the increased value of the Target Property. The Target Property already consists of strata-titled units ranging in sizes from 100 square meters to 500 square meters and is ready for the Company to launch sales and leasing program immediately after completion of the acquisition.

The location of the Target Property is also a contributing factor to this acquisition. Located at the busiest part of the East Third Ring Road, Beijing, with the No. 10 Subway Line access, and directly adjacent to the Beijing CBD and Sanlitun, the Target Property is centrally located and is convenient in every direction.

The Directors further consider that the terms of the Quota 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 Quota 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:

“Asset Management Agreement”	the asset management agreement dated 18 March 2008 between the WFOE and Kailong REI Investment Consulting (Shanghai) Co., Ltd. (上海凱龍瑞項目投資諮詢有限公司)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bluewater”	Bluewater 2 Holdings SRL
“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 Beijing, Barbados, Hong Kong or New York are required or permitted to close
“CII”	China Investments I, LLC
“Closing”	the closing of the purchase and sale of the Sale Quotas under the Quota Purchase Agreement
“Closing Date”	1 December 2009 or such other date as mutually agreed between Shimmer Win and the Sellers
“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
“CRE”	China Real Estate Partners I, LLC
“CREP”	CREP Employee Investment Company Limited
“CVI”	CVI Global Value Fund Cayman L.P.
“Director(s)”	the director(s) of the Company
“Distribution Ratios”	89.11% in the case of CVI, 10% in the case of SCJ, 0.47% in the case of CII, 0.33% in the case of CRE and 0.09% in the case of CREP
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Management Agreement”	the investment management agreement dated 14 November 2008 between Bluewater and Kailong REI Project Investment Consulting (Hong Kong) Co., Limited

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Quotaholders Agreement”	the quotaholders agreement dated 28 November 2007 among CVI, SCJ, CRE and CII, as amended by the first amendment to quotaholders’ agreement in relation to Bluewater 2 Holdings SRL dated 18 July 2008 among CVI, SCJ, CRE, CII and CREP
“Quota Purchase Agreement”	the quota purchase agreement dated 18 November 2009 entered into among CVI, SCJ, CII, CRE, CREP, Shimmer Win and Bluewater in relation to, among others, the proposed acquisition of the Sale Quotas by Shimmer Win from the Sellers
“Sale Quotas”	224,230 common quotas of Bluewater, representing 100% equity interest in Bluewater
“SCJ”	SCJREP Asia Cayman B, Ltd.
“Sellers”	collectively, CVI, SCJ, CII, CRE and CREP
“Shareholder(s)”	shareholder(s) of the Company
“Shimmer Win”	Shimmer Win International Limited, a wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Group”	collectively, Bluewater and the WFOE
“Target Property”	the entire building known as “Nexus Centre”, a 37-storey office and retail complex located at East Third Ring Road, Beijing, the PRC and the related land use rights
“USD”	United States dollars, the lawful currency of the United States of America

“WFOE”

Bluewater (Beijing) Property Management Co., Ltd. (北京藍泉物業管理有限公司), a wholly foreign-owned enterprise duly organised and established in the PRC

“%”

per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 18 November 2009

As at the date of this announcement, the Board comprises Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Yan Yan 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.