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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)

**ISSUE OF USD600 MILLION 5.750% SENIOR NOTES DUE 2017
ISSUE OF USD400 MILLION 7.125% SENIOR NOTES DUE 2022**

Reference is made to the announcement of the Company dated 26 October 2012 in respect of the Notes Issue.

The Board is pleased to announce that on 31 October 2012, the Company, the Subsidiary Guarantors and the Subsidiary Guarantor Pledgors entered into the Purchase Agreement with HSBC, Morgan Stanley, Standard Chartered Bank, Barclays and Goldman Sachs in connection with the issue of US\$600 million 5.750% senior notes due 2017 and the issue of US\$400 million 7.125% senior notes due 2022.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately US\$985.9 million and the Company intends to use the net proceeds of both series of the Notes for general corporate purposes. The Company may adjust its development plans in response to changing market conditions and therefore reallocate the use of the proceeds. Pending application of the net proceeds, the Company intends to invest the net proceeds in certain temporary cash investments.

Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). The SGX-ST assumes no responsibility for the contents of this announcement.

No listing of the Notes has been sought in Hong Kong.

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THE PURCHASE AGREEMENT

Date: 31 October 2012

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors;
- (c) the Subsidiary Guarantor Pledgors;
- (d) HSBC;
- (e) Morgan Stanley;
- (f) Standard Chartered Bank;
- (g) Barclays;
- (h) Goldman Sachs.

HSBC, Morgan Stanley and Standard Chartered Bank are the joint global coordinators, and HSBC, Morgan Stanley, Standard Chartered Bank, Barclays and Goldman Sachs are the joint bookrunners and the joint lead managers in respect of the offer and sale of the Notes. HSBC, Morgan Stanley, Standard Chartered Bank, Barclays and Goldman Sachs are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of HSBC, Morgan Stanley, Standard Chartered Bank, Barclays and Goldman Sachs is an independent third party and is not a connected person of the Company.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Notes are being offered and sold only to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S.

None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected persons of the Company.

Principal terms of the Notes

The 2017 Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the 2017 Notes in the aggregate principal amount of US\$600 million which will mature on 7 November 2017, unless earlier redeemed pursuant to the terms thereof and the 2017 Indenture.

Offering Price

The offering price of the 2017 Notes will be 100% of the principal amount of the 2017 Notes.

Interest

The 2017 Notes will bear interest from and including 7 November 2012 at the rate of 5.750% per annum, payable semi-annually in arrears. Interest will be paid on 7 May and 7 November of each year, commencing on 7 May 2013.

Optional Redemption

The 2017 Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 7 November 2015, the Company may redeem the 2017 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the twelve month period beginning on 7 November of each of the years indicated below:

Year	Redemption Price
2015	102.8750%
2016	101.4375%

- (2) At any time prior to 7 November 2015, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 Notes, plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 7 November 2015, the Company may redeem up to 35% of the aggregate principal amount of the 2017 Notes at a redemption price of 105.750% of the principal amount of the 2017 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption of the 2017 Notes.

The 2022 Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the 2022 Notes in the aggregate principal amount of US\$400 million which will mature on 7 November 2022, unless earlier redeemed pursuant to the terms thereof and the 2022 Indenture.

Offering Price

The offering price of the 2022 Notes will be 100% of the principal amount of the 2022 Notes.

Interest

The 2022 Notes will bear interest from and including 7 November 2012 at the rate of 7.125% per annum, payable semi-annually in arrears. Interest will be paid on 7 May and 7 November of each year, commencing on 7 May 2013.

Optional Redemption

The 2022 Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 7 November 2017, the Company may redeem the 2022 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the twelve month period beginning on 7 November of each of the years indicated below:

Year	Redemption Price
2017	103.5625%
2018	102.3750%
2019	101.1875%
2020 and thereafter	100.0000%

- (2) At any time prior to 7 November 2017, the Company may at its option redeem the 2022 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2022 Notes, plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 7 November 2015, the Company may redeem up to 35% of the aggregate principal amount of the 2022 Notes at a redemption price of 107.125% of the principal amount of the 2022 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption of the 2022 Notes.

Other terms of the Notes

Ranking of the Notes

Both series of the Notes are general obligations of the Company and will be: (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the applicable Notes; (2) at least pari passu in right of payment with the other series of the Notes, all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (3) guaranteed by the applicable Subsidiary Guarantors and the applicable JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (4) effectively subordinated to the other secured obligations (if any) of the Company, the applicable Subsidiary Guarantors and the applicable JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

Events of default

The events of default under either series of the Notes include, among others: (a) default in the payment of principal of (or premium, if any on) the applicable Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase in certain manners, or the failure by the Company to create, or cause certain of its subsidiaries to create, a lien on the collaterals in accordance with certain covenants described in the applicable Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breach of any other covenant or agreement in the applicable Indenture or under the applicable Notes or under the Intercreditor Deed (other than the default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the applicable Trustee or the holders of 25% or more in aggregate principal amount of the applicable Notes; (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of US\$10.0 million; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged for a period of 60 consecutive days in excess of US\$10.0 million; (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries and remains undismissed and unstayed for a period of 60 consecutive days; (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors; (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the applicable Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee being determined to be unenforceable or invalid or for any reason cease to be in full force and effect; (j) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents provided under the applicable Notes or the Intercreditor Deed, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the collateral created under the applicable Notes or which adversely affects the condition or value of such collateral, taken as a whole, in any material respect; or (k) the Company or any Subsidiary Guarantor Pledgor denying or disaffirming its obligations under any security documents provided under the applicable Notes or the Intercreditor Deed or, other than in accordance with the applicable Indenture and the relevant security documents provided under the applicable Notes, any such relevant security document ceasing to be or is not in full force and effect, or any Trustee ceasing to have a security interest in the collateral given under the applicable Notes (subject to certain permitted liens).

If an event of default (other than an event of default specified in (g) and (h) above) occurs and is continuing, any Trustee or the holders of at least 25% in aggregate principal amount of the applicable Notes then outstanding, by written notice to the Company (and to the applicable Trustee if such notice is given by such holders), may, and such Trustee at the written direction of such holders shall declare the principal of, premium, if any, and accrued and unpaid interest on the applicable Notes to be immediately due and payable. If an event of default specified in (g) or (h) above occurs with respect to the Company or certain of its subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the applicable Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the applicable Trustee or any holder.

Covenants

Subject to a number of qualifications and exceptions, the Notes, the Indentures governing the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with its shareholders or affiliates; and
- (k) effect a consolidation or merger.

THE GROUP AND REASONS FOR THE NOTES ISSUE

The Group is a leading commercial property developer in the PRC focusing on central Beijing and Shanghai. Over the past 16 years, the Group has grown to be one of the largest prime office developers in the PRC with a full range of property development, leasing and management capabilities. The Group currently has an investment properties portfolio of a GFA of around 1.7 million square meters, comprising mostly prime office properties. The Group believes its iconic "SOHO China" brand is one of the most recognisable brands in China. The Company had been named as one of the "Most Admired Companies" in China by Fortune magazine (China edition) six times during the years from 2006 to 2012, except year 2011.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately US\$985.9 million and the Company intends to use the net proceeds of both series of the Notes for general corporate purposes. The Company may adjust its development plans in response to changing market conditions and therefore reallocate the use of the proceeds. Pending application of the net proceeds, the Company intends to invest the net proceeds in certain temporary cash investments.

LISTING

Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). The SGX-ST assumes no responsibility for the contents of this announcement. No listing of the Notes has been sought in Hong Kong.

RATING

The Notes are expected to be rated BB+ by Standard & Poor's Ratings Services and Ba1 by Moody's Investors Service.

DEFINITIONS

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

“2017 Indenture”	the written agreement between the Company, as the issuer of the 2017 Notes, the Subsidiary Guarantors, as guarantors, and the 2017 Trustee that specify the terms of the 2017 Notes including the interest rate of the 2017 Notes and the maturity date
“2022 Indenture”	the written agreement between the Company, as the issuer of the 2022 Notes, the Subsidiary Guarantors, as guarantors, and the 2022 Trustee that specify the terms of the 2022 Notes including the interest rate of the 2022 Notes and the maturity date
“2017 Notes”	the issue of US\$600 million 5.750% senior notes due 2017 by the Company
“2022 Notes”	the issue of US\$400 million 7.125% senior notes due 2022 by the Company
“Barclays”	Barclays Bank PLC, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Company”	SOHO China Limited (SOHO中國有限公司), a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the Directors of the Company
“GFA”	gross floor area
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Indentures”	the 2017 Indenture and the 2022 Indenture
“Intercreditor Deed”	a security trust and intercreditor deed dated June 24, 2011 that governs the relationship among certain finance parties in respect of certain indebtedness of the Company
“JV Subsidiary Guarantees”	limited-recourse guarantees, which may be provided by the JV Subsidiary Guarantors under certain circumstances and subject to certain conditions, in replacement of the Subsidiary Guarantees
“JV Subsidiary Guarantors”	subsidiaries of the Company that in the future will provide the JV Subsidiary Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Notes”	the 2017 Notes and the 2022 Notes
“Notes Issue”	the issue of the Notes by the Company
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase Agreement”	the agreement dated 31 October 2012 entered into between, among others, the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors, HSBC, Morgan Stanley, Standard Chartered Bank, Barclays and Goldman Sachs in relation to the Notes Issue

“SGX-ST”	Singapore Exchange Securities Trading Limited
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain subsidiaries of the Company which guarantee the Notes
“Subsidiary Guarantor Pledgor”	any Subsidiary Guarantor or JV Subsidiary Guarantor which pledges collateral to secure the obligations of the Company under the Notes, the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees and the obligations of the JV Subsidiary Guarantors under the JV Subsidiary Guarantees
“2017 Trustee” or “2022 Trustee”	The Bank of New York Mellon, London Branch
“USD” or “US\$”	United States dollar(s)
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“%”	per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Hong Kong, 1 November 2012

As at the date of this announcement, the executive directors of the Company are Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Yan Yan, Ms. Tong Ching Mau and Mr. Yin Jie; and the independent non-executive directors of the Company are Dr. Ramin Khadem, Mr. Cha Mou Zing Victor and Mr. Yi Xiqun.