

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 “GUANGHUALU SOHO 2”

DISCLOSEABLE TRANSACTION ACQUISITION OF “BEIJING SOHO RESIDENCES”

RESUMPTION OF TRADING

ACQUISITION OF “GUANGHUALU SOHO 2” PURSUANT TO THE YELI ACQUISITION AGREEMENT

The Board wishes to announce that on 2 November 2007, the Company has acquired “Guanghualu SOHO 2” through the Yeli Acquisition Agreement which was entered into between Huayuan, Shangcheng and Beijing SOHO Properties pursuant to which Beijing SOHO Properties will acquire 100% equity interest in Yeli from the Yeli Vendors.

ACQUISITION OF “BEIJING SOHO RESIDENCES” PURSUANT TO THE MILLENNIUM ACQUISITION AGREEMENT

The Board wishes to announce that on 2 November 2007, the Company has acquired the “Beijing SOHO Residences” through the Millennium Acquisition Agreement which was entered into between Huayuan, Shoulv and Beijing SOHO Properties pursuant to which Beijing SOHO Properties will acquire 100% equity interest in Millennium from the Millennium Vendors.

LISTING RULES IMPLICATIONS OF THE YELI ACQUISITION AGREEMENT AND THE MILLENNIUM ACQUISITION AGREEMENT

Each of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement constitutes a discloseable transaction for the Company under the Listing Rules. The Yeli Acquisition and the Millennium Acquisition, when aggregated, also constitute a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, details of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement will be despatched to Shareholders in accordance with the requirements of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 5 November 2007 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 6 November 2007 has been made by the Company.

YELI ACQUISITION AGREEMENT

The Board wishes to announce that on 2 November 2007, the Company has acquired “Guanghualu SOHO 2” through the Yeli Acquisition Agreement which was entered into between Huayuan, Shangcheng and Beijing SOHO Properties. The principal terms of the Yeli Acquisition Agreement are as follows:

Date: 2 November 2007

Parties: Yeli Vendors: (1) Huayuan, being the beneficial owner of 99% equity interest in Yeli
(2) Shangcheng, being the beneficial owner of 1% equity interest in Yeli

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Huayuan and Shangcheng and their respective ultimate beneficial owners are Independent Third Parties.

Purchaser: Beijing SOHO Properties

Pursuant to the Yeli Acquisition Agreement, the Purchaser also refers to other related parties nominated by Beijing SOHO Properties, including Beijing International Trust, any New Investco established by Beijing SOHO Properties or other wholly-owned subsidiaries of the Company.

Beijing International Trust is the trustee engaged by the Purchaser under the Yeli Trust Agreement pursuant to which Beijing International Trust will acquire 55% equity interest in Yeli on trust for the Purchaser pending the establishment of the New Investco. Upon the establishment of the New Investco, Beijing International Trust will transfer such 55% equity interest in Yeli to New Investco.

Subject matter: 100% equity interest in Yeli

Yeli Consideration: RMB1,029,802,380 (equivalent to approximately HK\$1,070,814,578), representing the aggregate of:

- (1) RMB721,000,000 (equivalent to approximately HK\$749,714,048), being the consideration for the transfer of 100% equity interest in Yeli. This is determined based on the aggregate of the acquisition cost of Huayuan when acquiring Yeli, being RMB521,000,000 (equivalent to approximately HK\$541,748,986), and a premium of RMB200,000,000 (equivalent to approximately HK\$207,965,062). The premium was determined after arm's length negotiation between the Yeli Vendors and the Purchaser;
- (2) RMB177,000,000 (equivalent to approximately HK\$184,049,080), which shall be applied by Yeli to repay part of the demolition expenses made to Pharmaceutical Group and Beijing Minyuan Building by Huayuan on behalf of Yeli;
- (3) RMB92,000,000 (equivalent to approximately HK\$95,663,928), which shall be applied by Yeli to repay the consideration for acquiring existing building paid by Huayuan on behalf of Yeli;
- (4) RMB39,082,380 (equivalent to approximately HK\$40,638,848), which shall be applied by Yeli to repay the loan made by Huayuan to Yeli; and
- (5) RMB720,000 (equivalent to approximately HK\$748,674), being the compensation for blocking sunlight to be paid to five tenants in a building near the site of "Guanghualu SOHO 2".

Yeli Completion:

The Yeli Acquisition will be completed in the following stages:

The Yeli Vendors shall transfer 55% equity interest (namely 54% from Huayuan and 1% from Shangcheng) to Beijing International Trust, which will hold the 55% equity interest in Yeli on trust for Beijing SOHO Properties. It is expected that the transfer of the 55% equity interest will be completed on a day which is on or about 15 days from the date of the Yeli Acquisition Agreement. When the New Investco is established, Beijing International Trust will transfer all the equity interest held by it in Yeli to the New Investco.

After the transfer of the 55% equity interest in Yeli to Beijing International Trust is completed, RMB695,352,380 (equivalent to approximately HK\$723,045,004) will be paid to the Yeli Vendors. Management of Yeli shall be handed over to the Purchaser within three Business Days after such payment.

After the completion of the transfer of the 55% equity interest in Yeli, the Yeli Vendors will not participate in the management and operation of Yeli. Commencing on the day when the management of Yeli is handed over to the Purchaser, all the investments will be borne by the Purchaser. All the profits and rights of Yeli and “Guanghualu SOHO 2” will be enjoyed by the Purchaser.

On or prior to 10 January 2009, the parties to the Yeli Acquisition Agreement will undertake the procedures to transfer the remaining 45% equity interest in Yeli. The balance of RMB334,450,000 (equivalent to approximately HK\$347,769,575) shall be paid by the Purchaser to Huayuan on the day of completion of the transfer of the 45% equity interest. In any event, this balance shall be paid to the Yeli Vendors by 10 February 2009.

BUSINESS OF THE GROUP, HUAYUAN AND SHANGCHENG

The Group is principally engaged in the development and sale of commercial properties in central Beijing. Huayuan is a property developer in Beijing and Shangcheng, being a subsidiary of Huayuan, is principally engaged in the business of investment and management which mainly invest in real properties.

INFORMATION ON YELI

Yeli is a company incorporated in the PRC which owns the legal rights to develop and construct “Guanghualu SOHO 2”.

INFORMATION ON “GUANGHUALU SOHO 2”

“Guanghualu SOHO 2” is located opposite the successful Guanghualu SOHO project, both of which are located in the center of the Beijing CBD and in close proximity to the China World Trade Centre and the Silk Market.

“Guanghualu SOHO 2” will have an above-ground GFA of approximately 128,000 sq.m. with a basement of approximately 52,000 sq.m., providing a total GFA of approximately 180,000 sq.m.. Additional costs will be incurred to develop “Guanghualu SOHO 2” into a prime commercial and retail complex with architectural features consistent with the Company’s other projects. “Guanghualu SOHO 2” is expected to complete in 2010 with pre-sales commencing in late 2008.

The net loss attributable to Yeli for each of the financial years ended 31 December 2005 and 2006 was RMB167,821 (equivalent to approximately HK\$174,505) and RMB472,083 (equivalent to approximately HK\$490,884) respectively. The net asset value of Yeli for each of the two financial years ended 31 December 2005 and 2006 was RMB9,688,577 (equivalent to approximately HK\$10,074,428) and RMB9,216,494 (equivalent to approximately HK\$9,583,544) respectively.

MILLENNIUM ACQUISITION AGREEMENT

The Board wishes to announce that on 2 November 2007, the Company has acquired the “Beijing SOHO Residences” through the Millennium Acquisition Agreement which was entered into between Huayuan, Shoulv and Beijing SOHO Properties. The principal terms of the Millennium Acquisition Agreement are as follows:

Date: 2 November 2007

Parties: Millennium Vendors: (1) Huayuan, being the beneficial owner of 48.96% equity interest in Millennium
(2) Shoulv, being the beneficial owner of 51.04% equity interest in Millennium

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Huayuan and Shoulv and their respective ultimate beneficial owners are Independent Third Parties.

Purchaser: Beijing SOHO Properties

Pursuant to the Millennium Acquisition Agreement, the Purchaser also refers to other related parties nominated by Beijing SOHO Properties, including Beijing International Trust, any New Investco established by Beijing SOHO Properties or other wholly-owned subsidiaries of the Company.

Beijing International Trust is the trustee engaged by the Purchaser under the Millennium Trust Agreement pursuant to which Beijing International Trust will acquire 51% equity interest in Millennium on trust for the Purchaser pending the establishment of the New Investco. Upon the establishment of the New Investco, Beijing International Trust will transfer such 51% equity interest in Millennium to New Investco.

Subject matter: 100% equity interest in Millennium

Millennium
Consideration: RMB1,412,698,875 (equivalent to approximately HK\$1,468,960,045), representing the aggregate of:

- (1) RMB406,000,000 (equivalent to approximately HK\$422,169,076), representing the registered capital of RMB96,000,000 (equivalent to approximately HK\$99,823,230) and share premium of RMB310,000,000 (equivalent to approximately HK\$322,345,846);
- (2) RMB1,006,698,875 (equivalent to approximately HK\$1,046,790,969) which shall be applied by the Millennium Vendors for the following purposes:
 - (i) repayment of money owed by Millennium to the Millennium Vendors;
 - (ii) payment of any amount payable by the Millennium Vendors under the terms of the Millennium Acquisition Agreement;
 - (iii) payment of any amount which shall be borne by the Millennium Vendors under the Millennium Acquisition Agreement; and
 - (iv) payment of the amount payable for the purpose of exchanging the building ownership certificate with Zhongying Group.

Millennium
Completion: The Millennium Acquisition will be completed in the following stages:

The Millennium Vendors shall transfer 51% equity interest (namely 48.96% from Huayuan and 2.04% from Shoulv) to Beijing International Trust, which will hold the 51% equity interest in Millennium on trust for Beijing SOHO Properties. It is expected that the transfer of the 51% equity interest will be completed on a day which is on or about 15 days from the date of the Millennium Acquisition Agreement. When the New Investco is established, Beijing International Trust will transfer all the equity interest held by it in Millennium to the New Investco.

After the transfer of the 51% equity interest in Millennium to Beijing International Trust is completed, RMB207,060,000 (equivalent to approximately HK\$215,306,229) will be paid by the Purchaser to the Millennium Vendors.

After the completion of the transfer of the 51% equity interest in Millennium, the Millennium Vendors will not participate in the management and operation of Millennium. Commencing on the day when the management of Millennium is handed over to the Purchaser, all the investments will be borne by the Purchaser and the profits will be enjoyed by the Purchaser.

After the completion of the transfer of the 51% equity interest and prior to 15 January 2008, the parties to the Millennium Acquisition Agreement will undertake the procedures to transfer 24% equity interest in Millennium. Within seven days after the signing of the transfer agreement for the 24% equity interest, RMB1,006,698,875 (equivalent to approximately HK\$1,046,790,969) will be paid by the Purchaser to the Millennium Vendors. Within 30 days from the signing of the aforesaid transfer agreement, the balance of RMB97,440,000 (equivalent to approximately HK\$101,320,578) will be paid by the Purchaser to the Millennium Vendors. However, if the transfer of the 24% equity interest completes within seven days from the date of the transfer agreement, the aggregate sum, being RMB1,104,138,875 (equivalent to approximately HK\$1,148,111,547) will be paid by the Purchaser to the Millennium Vendors. If the transfer of the 24% equity interest completes during the period which is between seven days from the date of the transfer agreement and 30 days from the date of the transfer agreement, the amount of RMB97,440,000 (equivalent to approximately HK\$101,320,578) will be paid by the Purchaser to the Millennium Vendors upon completion.

Within three days after the completion of the transfer of 75% equity interest in Millennium and the transfer of the building ownership certificate (房產證) from Zhongying to Millennium, the parties to the Millennium Acquisition Agreement will undertake the procedures to transfer 20% equity interest in Millennium. On the day on which the transfer of the 20% equity interest in Millennium is completed and in any event, within 30 days from the date of signing the aforesaid transfer agreement, RMB81,200,000 (equivalent to approximately HK\$84,433,815) will be paid by the Purchaser.

Upon the Purchaser obtaining the project construction completion certificate (項目建築工程竣工驗收備案表) but in any event not later than 30 January 2009, the parties to the Millennium Acquisition Agreement will undertake the procedures to transfer the remaining 5% equity interest in Millennium. On the day on which the transfer of the 5% equity interest in Millennium is completed and in any event, within 30 days from the date of the aforesaid transfer agreement, RMB20,300,000 (equivalent to approximately HK\$21,108,454) will be paid by the Purchaser to the Millennium Vendors.

BUSINESS OF THE GROUP, HUAYUAN AND SHOULV

The Group is principally engaged in the development and sale of commercial properties in central Beijing. Huayuan is a property developer in Beijing and Shoulv, being a subsidiary of Huayuan, is principally engaged in the business of property development and sale.

INFORMATION ON MILLENNIUM

Millennium is a company incorporated in the PRC which owns the legal rights to develop the “Beijing SOHO Residences”.

INFORMATION ON “BEIJING SOHO RESIDENCES”

“Beijing SOHO Residences” is situated in central Beijing and is a completed luxury residential building located near the Lufthansa Centre, a well known commercial complex situated on the East Third Ring Road in central Beijing.

“Beijing SOHO Residences” comprises approximately 66,333 sq.m. of luxury residential GFA. Of this, approximately 53,600 sq.m. is saleable. After fit-out, the development will comprise approximately 220 highly-specified luxury apartments.

Additional costs will be incurred to complete the interior finishes of “Beijing SOHO Residences” to the standards expected by the buyer who purchase SOHO China’s properties. Works are expected to be completed in the third quarter of 2008 with pre-sales commencing in late 2007 or early 2008.

The net loss attributable to Millennium for each of the two financial years ended 31 December 2005 and 2006 was RMB4,034,318 (equivalent to approximately HK\$4,194,986) and RMB10,688,108 (equivalent to approximately HK\$11,113,765) respectively. The net asset value of Millennium for each of the two financial years ended 31 December 2005 and 2006 was RMB80,160,626 (equivalent to approximately HK\$83,353,048) and RMB54,173,315 (equivalent to approximately HK\$56,330,784) respectively.

As set out in the Company’s prospectus dated 21 September, 2007, the Company also engages in the development and sale of high-end residential properties situated in prime locations in central Beijing, such as SOHO Newtown and Sanlitun SOHO (which are both partly commercial and partly residential), which are developed by the Company. As the Beijing SOHO Residences is located in the prime location in central Beijing, the Directors consider that this acquisition will further enhance the business of the Company and is in line with the principal business activities or the future business plan of the Company.

PAYMENT OF THE YELI CONSIDERATION AND THE MILLENNIUM CONSIDERATION

The Company will satisfy the aggregate Yeli Consideration and the Millennium Consideration as to RMB900,000,000 (equivalent to approximately HK\$935,842,778) by internal funding from two of its subsidiaries, namely 北京紅石建外房地產開發有限公司 (Redstone Jianwai Property Development Company Limited) and 北京建華置地有限公司 (Jianhua Real Estate Company Limited), and as to the balance from the working capital of the Group.

REASONS FOR THE ACQUISITION OF “GUANGHUALU SOHO 2” AND “BEIJING SOHO RESIDENCES”

Guanghualu SOHO 2 and Beijing SOHO Residences are situated in prime locations in central Beijing. The Board considers that these projects are attractive opportunities for the Company and is a furtherance of the existing business of the Company. The Directors consider that the acquisitions will further strengthen the Company’s foothold within Central Beijing and demonstrate the Company’s commitment to seize key properties in prime locations, thus adding to the Company’s competitive advantage.

The Directors consider that the terms of each of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

LISTING RULES IMPLICATIONS OF THE YELI ACQUISITION AGREEMENT AND THE MILLENNIUM ACQUISITION AGREEMENT

The acquisition of “Guanghualu SOHO 2” under the Yeli Acquisition Agreement and the acquisition of “Beijing SOHO Residences” under the Millennium Acquisition Agreement each constitutes a discloseable transaction for the Company under the Listing Rules. The Yeli Acquisition and the Millennium Acquisition, when aggregated, also constitute a discloseable transaction for the Company under the Listing Rules. A circular containing, among other things, details of “Guanghualu SOHO 2”, the Yeli Acquisition Agreement, “Beijing SOHO Residences” and the Millennium Acquisition Agreement will be despatched to Shareholders in accordance with the requirements of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 5 November 2007 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 6 November 2007 has been made by the Company.

DEFINITIONS

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

“associate(s)”	the meaning ascribed to it under the Listing Rules
“Beijing International Trust”	北京國際信託投資有限公司 (Beijing International Trust and Investment Co, Ltd.), a trust company incorporated in the PRC which will hold certain interest in Yeli and Millennium on trust for the Purchaser pursuant to the terms of the Yeli Acquisition Agreement, the Millennium Acquisition Agreement and the Trust Agreements
“Beijing Minyuan Building”	北京民源大廈, the original developer of Guanghualu SOHO 2
“Beijing SOHO Properties”	北京搜候物業管理有限公司 (Beijing SOHO Properties Management Limited), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Beijing SOHO Residences”	SOHO北京公館, located at No. 5, Xinyuan South Road, Chaoyang District, Beijing, the PRC
“Board”	the board of Directors
“Business Day(s)”	the day(s) (other than a Saturday or Sunday) in Hong Kong on which banks in Hong Kong are open for business generally
“CBD”	Central Business District of Beijing
“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)”	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
“Guanghualu SOHO 2”	民源大廈項目 (Minyuan building project)

“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Huayuan”	北京市華遠地產股份有限公司 (Beijing Huayuan Real Properties Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties. It is one of the Yeli Vendors and one of the Millennium Vendors
“Independent Third Party(ies)”	party(ies) who are independent of the Company and Connected Persons of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Millennium”	北京千禧房地產開發有限公司 (Beijing Millennium Real Properties Development Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties
“Millennium Acquisition”	the acquisition of 100% equity interest in Millennium pursuant to the Millennium Acquisition Agreement
“Millennium Acquisition Agreement”	the acquisition agreement dated 2 November 2007 entered into between Huayuan, Shoulv and Beijing SOHO Properties in relation to the Millennium Acquisition
“Millennium Completion”	the completion of the transactions contemplated under the Millennium Acquisition Agreement
“Millennium Consideration”	the consideration for the Millennium Acquisition as more particularly set out in the paragraph headed “Millennium Consideration” in this announcement
“Millennium Trust Agreement”	the trust agreement dated 2 November 2007 entered into between Beijing SOHO Properties and Beijing International Trust in relation to the trust arrangement for the acquisition of 51% equity interest under the Millennium Acquisition Agreement
“Millennium Vendors”	Huayuan and Shoulv, the vendors under the Millennium Acquisition Agreement

“New Investco”	a wholly-owned subsidiary in the PRC to be established by the Company
“Pharmaceutical Group”	北京醫藥集團有限責任公司 (Beijing Pharmaceutical Group Company Limited), a company incorporated in the PRC whose principal business is the production and sale of pharmaceutical products
“PRC”	the People’s Republic of China
“Purchaser”	Beijing SOHO Properties, and for the purpose of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement, also refers to other related parties nominated by Beijing SOHO Properties, including Beijing International Trust, any New Investco established by Beijing SOHO Properties or other wholly-owned subsidiaries of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shangcheng”	北京尚城投資管理有限公司 (Beijing Shangcheng Investment Management Limited), a company incorporated in the PRC whose principal business is investment and management. It is one of the Yeli Vendors
“Shareholder(s)”	shareholder(s) of the Company
“Shoulv”	北京市首旅華遠房地產開發有限公司 (Beijing Shoulv Huayuan Real Properties Development Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties. It is one of the Millennium Vendors
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	the meaning ascribed to it under the Listing Rules
“Trust Agreements”	the Yeli Trust Agreement and the Millennium Trust Agreement

“Yeli”	北京野力房地產開發有限公司 (Beijing Yeli Real Properties Development Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties. It owns the legal rights to develop and construct “Guanghualu SOHO 2”
“Yeli Acquisition”	the acquisition of 100% equity interest in Yeli pursuant to the Yeli Acquisition Agreement
“Yeli Acquisition Agreement”	the acquisition agreement dated 2 November 2007 entered into between Huayuan, Shangcheng and Beijing SOHO Properties in relation to the Yeli Acquisition
“Yeli Completion”	the completion of the transactions contemplated under the Yeli Acquisition Agreement
“Yeli Consideration”	the consideration for the Yeli Acquisition as more particularly set out in the paragraph headed “Yeli Consideration” in this announcement
“Yeli Trust Agreement”	the trust agreement dated 2 November 2007 entered into between Beijing SOHO Properties and Beijing International Trust in relation to the trust arrangement for the acquisition of 55% equity interest under the Yeli Acquisition Agreement
“Yeli Vendors”	Huayuan and Shangcheng, the vendors under the Yeli Acquisition Agreement
“Zhongying Group”	中國電影集團公司 (China Movies Group Company), a company incorporated in the PRC whose principal business is the production and sale of movies

In this announcement, for purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1.00 to RMB0.9617. Such exchange rate has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

In this announcement, the English names of enterprises established in the PRC and projects located in the PRC are translations of their Chinese names and are included for identification purposes only.

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

Beijing, the PRC, 5 November 2007

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