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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)

ANNOUNCEMENT

SUMMARY

This announcement is made further to the announcement issued by the Company on 3 April 2008 regarding the Fund Monitoring Agreement, which was entered into by Redstone Jianwai, a subsidiary of the Company, and which constituted financial assistance under Chapter 14A of the Listing Rules. On 9 May 2008 Redstone Jianwai and BEA entered into the Supplemental Agreement, pursuant to which the Fund Monitoring Agreement has been terminated with immediate effect.

As described in the announcement dated 3 April 2008, Redstone Jianwai entered into the Fund Monitoring Agreement with Beijing Danshi, which is a connected person, and BEA, as a back-up security arrangement for the repayment of the BEA Loan by Beijing Danshi. Following consultation with the Stock Exchange, the Company became aware that the Fund Monitoring Agreement, *prima facie*, constitutes a non-exempt connected transaction under Rule 14A.63 of the Listing Rules. Mr. Pan, the Company's chairman and the controller of Beijing Danshi, has therefore procured Beijing Danshi to arrange alternative security arrangements in order to allow the Fund Monitoring Agreement to be terminated with immediate effect, preventing a continuing breach of the Listing Rules.

On 9 May 2008, BEA entered into the Supplemental Agreement, and terminated the Fund Monitoring Agreement, following (a) the provision of a guarantee by Redstone Industry, which is a private company controlled by Mr. Pan, for the full repayment of the BEA Loan and (b) Beijing Danshi, as a shareholder of Beijing Tianjie, agreeing to use the income accruing from certain parts of the Tiananmen South (Qianmen) Project as security for the repayment of the BEA Loan.

PARTICULARS OF SUPPLEMENTAL AGREEMENT

Date

9 May 2008

Parties

- (1) Redstone Jianwai;
- (2) BEA; and
- (3) Beijing Danshi

Principal Terms

The Fund Monitoring Agreement shall be terminated with immediate effect and all provisions in the BEA Loan Agreement relating to the Fund Monitoring Agreement shall become immediately ineffective.

Governing Law

The Fund Monitoring Agreement is governed by PRC law.

CONNECTION BETWEEN THE PARTIES

The Fund Monitoring Agreement was entered into between Redstone Jianwai, BEA and Beijing Danshi. As Mr. Pan, the chairman and executive Director of the Company, holds 90% equity interest in Beijing Danshi, Beijing Danshi constitutes a connected person of the Company for the purpose of Chapter 14A of the Listing Rules.

GENERAL

The Group and Beijing Danshi are principally engaged in the development and sale of commercial properties.

BEA is principally engaged in banking and other financial services.

DEFINITIONS

“BEA”	Bank of East Asia (China) Limited
“BEA Loan”	the loan in the total sum of RMB800,000,000 provided by BEA to Beijing Danshi for one year on 11 October 2007 provided pursuant to the BEA Loan Agreement
“BEA Loan Agreement”	the RMB loan agreement (人民幣貸款合同) entered into between Beijing Danshi and BEA on 11 October 2007
“Beijing Danshi”	Beijing Danshi Investment Management Company Limited (北京丹石投資管理有限公司), which is 90% owned by Mr. Pan and 10% by Ms. Yan
“Company”	SOHO China Limited
“Fund Monitoring Agreement”	the fund monitoring agreement (資金監管協議書) entered into between Redstone Jianwai, BEA, Beijing Danshi on 11 October 2007
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Mr. Pan”	Mr. Pan Shiyi, who is an executive Director and the chairman of the Board
“Ms. Yan”	Ms. Yan Yan, who is an executive Director and the chief financial officer of the Company
“PRC”	the People’s Republic of China
“Prospectus”	The prospectus issued by the Company on 21 September 2007 pursuant to the Company’s listing on the Hong Kong Stock Exchange
“Redstone Industry”	Beijing Redstone Industry Co. Ltd. (北京紅石實業有限責任公司), which is 85% owned by Mr. Pan and 15% owned by Ms. Yan
“Redstone Jianwai”	Beijing Redstone Jianwai Real Estate Development Co. Ltd. (北京紅石建外房地產開發有限公司), a subsidiary of the Company

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Fund Monitoring Agreement (資金監管協議書之補充協議) entered into between Redstone Industry, BEA and Beijing Danshi on 9 May 2008
“Tiananmen South (Qianmen) Project”	the Tiananmen South (Qianmen) Project as detailed in Appendix IC of the Prospectus

This announcement is made by the order of Board, the Directors of which individually and jointly accept responsibility for the accuracy of its announcement.

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

Beijing, the PRC, 9 May 2008

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.