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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

SOHO China Limited (the “**Company**”) announces that, on 7 October 2008, it entered into termination agreements with Key International Hotels Management Co. Ltd. (“**Key Management**”), pursuant to which the hotel management agreements with respect to Commune by the Great Wall and Boao Kempinski (collectively, the “**Properties**”) were terminated with immediate effect. As a result, the Properties will cease to operate as hotels. The Company currently plans to operate the Properties as serviced apartments after cessation of the hotel operations.

As previously disclosed in the Company’s prospectus dated 21 September 2007 and further to the Company’s announcement dated 8 January 2008, the use of Phase II of Commune by the Great Wall and Boao Kempinski as hotels is inconsistent with the land use conditions specified in the respective land use right certificates for the land on which the Properties are situated. The Company’s applications to the relevant land authorities to change the respective land use condition for each of the Properties from residential to residential and commercial have not yet been approved.

With a view to resolving the issue, and pursuant to an undertaking provided to The Stock Exchange of Hong Kong Limited prior to the listing of the Company, on 7 October 2008, the Company entered into termination agreements with the hotel operator, namely Key Management, pursuant to which the hotel management agreements with respect to the Properties were terminated with immediate effect and each party agreed to waive any rights or remedies that it might have against the other in connection with such termination. As a result, the Properties have ceased to operate as hotels. The Company currently plans to operate the Properties as serviced apartments.

For the financial year ended 31 December 2007, the operating revenue of the Company generated by the hotel operation at the Properties was approximately RMB43,930,000, which contributed only approximately 0.63% to the total revenue of the Company for the same period. The primary focus of the Company is on the development and sale of office and retail properties and the Company does not expect that the cessation of operating the Properties as hotels will have a material adverse effect on its business, financial condition and results of operations.

INFORMATION ON COMMUNE BY THE GREAT WALL

Commune by the Great Wall is located close to the Great Wall in the Yanqing county of Beijing, with a site area of approximately 20,824 sq.m. and a total planned gross floor area of 30,544 sq.m. Commune by the Great Wall comprises two phases. Phase I comprises 11 unique houses and a conference centre with two restaurants. Each of the houses and the conference centre was designed by a renowned architect in Asia. Phase II comprises 32 houses, a spa operated by Anantara and a children's club. Each of the 32 houses has four to six self-contained rooms with en-suite bathrooms and has been designed to accommodate the needs of visitors.

Commune by the Great Wall is a showcase project. It was named "A New Architectural Wonder of China" by Business Week in 2005 and was listed on the Condé Nast Traveler's "100 Hot Hotels in the World" in 2004.

INFORMATION ON BOAO KEMPINSKI

Boao Kempinski is located in Boao, a coastal town in the eastern part of Hainan province, with a site area of approximately 157,668 sq.m. and a total gross floor area of approximately 36,561 sq.m.. Boao Kempinski is a resort community comprising 115 houses, one conference centre with two restaurants. The project is located within Boao Forum for Asia Special Planning District, which is the permanent venue of the Boao Forum for Asia, a conference held annually to bring together political and business leaders and scholars from around Asia to discuss economics, social and environmental issues.

Boao Kempinski was awarded the Award for HKIA Members' Work "Outside of Hong Kong" prize in 2002 by the Hong Kong Institute of Architects.

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

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

Beijing, the PRC, 7 October 2008

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 Mr. CHA Mou Zing Victor, Dr. Ramin KHADEM and Mr. YI Xiqun, being the independent non-executive Directors.