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SOHO CHINA LIMITED
SOHO中國有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 0410)

DISCLOSEABLE AND CONNECTED TRANSACTION
PROPOSED RESTRUCTURING OF THE TIANANMEN SOUTH (QIANMEN)
PROJECT

PROPOSED TRANSACTION

The Board wishes to announce that, subject to the approval of the Independent Shareholders, a Framework Agreement and a Supplemental Agreement (the “**Restructuring Agreements**”) have been entered into on 15 May 2009 to restructure the original arrangements relating to the Tiananmen South (Qianmen) Project that were entered into in 2007 and disclosed in Appendix IC of the Prospectus. If approved by the Independent Shareholders, the Restructuring Agreements will allow the Company to acquire from Beijing Danshi the right to purchase retail properties of an area of 54,691 square meters to the south of Tiananmen Square (Qianmen), Beijing.

Under the original arrangements for the Project, the Company has the right to acquire from Beijing Danshi (a company controlled by Mr. Pan) all its rights and obligations under a Cooperation Agreement through the acquisition of a 49% equity interest held by Beijing Danshi in Beijing Tianjie (the “**49% Interest**”), subject to obtaining the requisite government approvals. Beijing Tianjie is the project company for the development of the Project comprising 33 parcels of land (with a total planned saleable floor area of approximately 134,333 square meters) to which Beijing Tianjie already had the right to develop (the “**33 Parcels**”), and a further 11 parcels of land that Beijing Tianjie may acquire through public tender (the “**11 Parcels**”).

Had the requisite government approvals for the transfer of the 49% Interest to the Company been obtained, the Company would have the right under the Cooperation Agreement to

undertake the entire development of the 33 Parcels and any of the 11 Parcels that may be acquired by Beijing Tianjie and to enjoy 100% economic interest derived from the development of such parcels of land.

Notwithstanding continuous efforts made by the Company and Beijing Danshi in procuring the requisite government approvals for the transfer of the 49% Interest to be granted, such approvals have not been forthcoming. As a result, all the parties to the original arrangements have agreed to enter into the Restructuring Agreements to restructure the original arrangements subject to the approval of the Independent Shareholders.

The Restructuring will enable the Company to acquire from Beijing Danshi the right to purchase properties of a total estimated saleable floor area of not less than 54,691 square meters out of the 33 Parcels, of which approximately 22,763 square meters are located on Qianmen Avenue (which have been fully built) and approximately 31,928 square meters are located on the east side of Qianmen Avenue (most of which have not been built) (the “**Properties**”). The total purchase price payable by the Company for the Properties will be RMB1,768,052,963 (equivalent to approximately HK\$2,007,782,152) calculated at the unit price of RMB32,328 (equivalent to approximately HK\$36,711) per square meter.

In addition, the Company will also enjoy through Beijing Danshi a right of first refusal to acquire any interest in the remaining parts of the Project under the same terms and conditions offered by Beijing Tianjie or the Chongwen Parties to any third party for such interest (the “**Right of First Refusal**”).

The Board has unanimously approved the Restructuring and the entering into of the Supplemental Agreement. The Board believes that the entering into of the Supplemental Agreement by the Company is fair and reasonable and in the best interests of the Company and the Shareholders in the current economic environment:

- (a) the Restructuring allows the Company to acquire the most desirable areas of the Project;
- (b) the Company is no longer required to pay the land cost and development cost for the entire 33 Parcels of the Project, including land parcels at less desirable locations, which the Board believes is in the best interests of the Company and the Shareholders given the current economic environment;
- (c) the Right of First Refusal also allows the Company, at its option, to acquire any interest in the remaining parts of the Project if and when such interest is offered to any third party; and
- (d) this is the only viable way to resolve the impasse as a result of the requisite government approvals not being forthcoming.

LISTING RULES IMPLICATIONS OF THE RESTRUCTURING

The entering into of the Restructuring by the Company constitutes a discloseable transaction of

the Company under Chapter 14 of the Listing Rules. It also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and the entering into of the Restructuring is subject to the approval of the Independent Shareholders. The EGM will be convened no later than 30 June 2009 for the Independent Shareholders to consider and, if thought fit, approve the Restructuring and the Supplemental Agreement. Mr. Pan, Ms. Zhang and their respective associates are required to abstain from voting at the EGM. The Independent Board Committee comprising all the independent non-executive Directors was formed on 30 April 2009 to advise the Independent Shareholders on the Restructuring and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the Restructuring. In addition, CBRE has been retained to provide an independent valuation of the Properties to be acquired.

The Board wishes to announce that, notwithstanding continuous efforts made by the Company and Beijing Danshi in procuring the requisite government approvals for the transfer of the 49% Interest from Beijing Danshi to BVI-9 under the Equity Transfer Agreement to be granted, such approvals have not been forthcoming. Given that such approvals are not expected to be forthcoming, the Company and Beijing Danshi agreed to enter into the Restructuring Agreements for restructuring the arrangements relating to the Project subject to the approval of the Independent Shareholders.

THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are as follows:

- Date: 15 May 2009
- Parties:
- (a) Beijing Danshi
 - (b) District SASAC
 - (c) Chongyuan
 - (d) Beijing Tianjie
- Subject matter: To achieve the exit of Beijing Danshi from Beijing Tianjie, the parties agreed as follows:
- (a) Beijing Tianjie shall sell the Properties to a company designated by Beijing Danshi (the “**Designated Company**”) (the “**Property Transfer**”);
 - (b) Beijing Danshi shall transfer the 49% Interest back to the Chongwen Parties or an entity nominated by the Chongwen Parties (the “**Equity Transfer**”);
 - (c) Beijing Danshi shall have the Right of First Refusal, which is capable of being assigned by Beijing Danshi to a member

of the Group; and

- (d) the Cooperation Agreement shall be terminated at the Effective Time (as defined below).

Terms of the Equity Transfer:

The purchase price payable by the Chongwen Parties for the 49% Interest shall be RMB144,117,647 (equivalent to approximately HK\$163,658,468), representing the capital contribution made by Beijing Danshi to Beijing Tianjie.

In addition, as a result of the Equity Transfer, Beijing Tianjie shall return to Beijing Danshi the following amounts invested by Beijing Danshi in Beijing Tianjie (the “**Investment Amount**”):

- (a) RMB1,000,000,000 (equivalent to approximately HK\$1,135,589,371), representing the investment made by Beijing Danshi to Beijing Tianjie; and
- (b) RMB154,341,584 (equivalent to approximately HK\$175,268,662), representing the financing cost incurred by Beijing Danshi up to 15 May 2009 for the investment under (a) above.

The total amount due from the Chongwen Parties and Beijing Tianjie to Beijing Danshi is RMB1,297,624,010 (equivalent to approximately HK\$1,473,568,033), being the sum of the equity purchase price and the Investment Amount minus an amount of RMB835,221 (equivalent to approximately HK\$948,468) owed by Beijing Danshi to Beijing Tianjie.

Terms of the Property Transfer and adjustment mechanism:

The parties agree that the Designated Company shall have the right to purchase the Properties at the total consideration of RMB1,768,052,963 (equivalent to approximately HK\$ 2,007,782,152), which is calculated based on the following formula:

$$\text{Consideration} = \text{Saleable floor area of the Properties} \times \text{Unit price per square meter}$$

whereby the unit price per square meter is RMB32,328 (equivalent to approximately HK\$36,711), which is inclusive of an estimated construction cost of RMB8,858 (equivalent to approximately HK\$10,059) per square meter (the “**Estimated Unit Construction Cost**”).

The consideration is subject to the following adjustment mechanism:

- (a) the parties agreed that, in respect of the Properties situated at the east side of Qianmen Avenue that have not been built, the construction cost of such Properties under construction shall be equal to the Estimated Unit Construction Cost times the estimated total salable floor area of such Properties. Beijing Tianjie shall enter into an entrusted construction contract with a member of the Group designated by the Designated Company (the “**Entrusted Contractor**”) for the construction of such Properties. Beijing Tianjie shall pay a sum equal to the Estimated Unit Construction Cost times the saleable floor area of approximately 31,928 square meters of such Properties (RMB282,818,224, equivalent to approximately HK\$321,165,369) to the Entrusted Contractor as a fixed fee under the entrusted construction contract for the construction of such Properties. If the actual construction cost of such Properties is less than the fixed fee payable under the entrusted construction contract, the Entrusted Contractor shall be entitled to keep the residue amount. If the actual construction cost of such Properties is more than the fixed fee, the Entrusted Contractor shall bear the excess amount. By adopting this approach, it is intended that the Company will not only keep the construction cost of such Properties situated at the east side of Qianmen Avenue within the budget of RMB8,858 per square meter, but can also control the quality and design of such Properties situated at the east side of Qianmen Avenue.

In respect of the Properties situated at Qianmen Avenue, the consideration of such Properties is also based on the Estimated Unit Construction Cost, which is the parties’ best estimate of the construction cost per square meter for Qianmen Avenue given that the audit of the construction costs for Qianmen Avenue has not been completed by the date of the Framework Agreement. In the event of a difference between the audited total construction cost of the Properties situated at Qianmen Avenue and the estimated total construction cost of such Properties, such difference shall be adjusted by way of an adjustment to the fixed fee payable to the Entrusted Contractor under the entrusted construction contract. If the audited total construction cost of such Properties is more than their estimated construction cost, the fixed fee payable to the Entrusted Contractor under the entrusted construction contract shall be reduced by such excess amount. If the audited total construction cost of such Properties is less than their estimated construction cost, the fixed fee shall be increased accordingly; and

- (b) in the event that the actual total saleable floor area of the Properties is less than or more than the estimated total saleable floor area of the Properties, the Designated Company shall adjust the total purchase price accordingly with Beijing Tianjie at the unit price of RMB32,328 (equivalent to approximately HK\$36,711) per square meter, save where the actual total saleable floor area of the Properties located at the east side of Qianmen Avenue is less than the estimated total saleable floor area of such Properties by 3% or more, in which case Beijing Tianjie shall transfer additional properties of the Project (from the properties to be retained by Beijing Tianjie) to the Designated Company at the unit price of RMB32,328 (equivalent to approximately HK\$36,711) per square meter to make up for the difference in saleable floor area.

The above consideration was arrived at after arm's length negotiation between Beijing Danshi, Beijing Tianjie and the Chongwen Parties after taking into account the exit of Beijing Danshi from Beijing Tianjie through the Equity Transfer and the Property Transfer.

Payment arrangements: The consideration of the Property Transfer in the amount of RMB1,768,052,963 (equivalent to approximately HK\$2,007,782,152) shall be paid in the following manner:

- (a) the sum of RMB1,297,624,010 (equivalent to approximately HK\$1,473,568,033) shall be paid to Beijing Tianjie at the Effective Time and shall be used to satisfy the following:
- (i) payment for the consideration of the Properties located at ground level of Qianmen Avenue, with estimated saleable floor area of 20,744 square meters;
 - (ii) payment for the consideration of the Properties located at basement level one of Qianmen Avenue, with estimated saleable floor area of 2,019 square meters; and
 - (iii) prepayment of part of the consideration for the Properties to be constructed and located at ground level and basement level one of the east side of Qianmen Avenue.

It is agreed that the amount of RMB1,297,624,010 (equivalent to approximately HK\$1,473,568,033) due from

the Chongwen Parties and Beijing Tianjie to Beijing Danshi shall be used to set-off the consideration under (a) above due from the Designated Company to Beijing Tianjie. The Designated Company shall pay such amount to Beijing Danshi for and on behalf of the Chongwen Parties and Beijing Tianjie at the Effective Time;

- (b) the entrusted construction fee of RMB282,818,224 (equivalent to approximately HK\$321,165,369) shall be paid to the Entrusted Contractor pursuant to the entrusted construction contract for and on behalf of Beijing Tianjie; and
- (c) the balance of the consideration of the Property Transfer (RMB187,610,729, equivalent to approximately HK\$213,048,750) shall be paid in four equal instalments to Beijing Tianjie upon occurrence of the following events: execution of the property purchase contracts for the Properties situated at the east side of Qianmen Avenue, topping of such Properties, completion of the exterior renovation works for such Properties and delivery of such Properties. It is expected that the construction of such Properties will take approximately 18 months.

Condition precedent:

The Framework Agreement is conditional upon the Company having obtained the approval of the Independent Shareholders at the EGM in relation to the Restructuring in accordance with the Listing Rules. If the Company fails to obtain the approval of the Independent Shareholders at the EGM by 31 July 2009, the Framework Agreement shall automatically terminate.

The Chongwen Parties have obtained all the relevant governmental approvals for the arrangements set out in the Framework Agreement. No further government approval is required for the Equity Transfer and the Property Transfer.

Obligations after satisfaction of condition precedent:

Within three (3) business days after the satisfaction of the condition precedent to the Framework Agreement and the obtaining of the sales permits for all that part of the Properties situated at Qianmen Avenue, the following documents shall be duly executed by the relevant parties:

- (a) the property purchase agreements for the transfer of all the Properties from Beijing Tianjie to the Designated Company under the Property Transfer;
- (b) the equity transfer agreement for the transfer of the 49%

Interest from Beijing Danshi to the Chongwen Parties or an entity nominated by the Chongwen Parties under the Equity Transfer; and

- (c) any other documents or approvals (including but not limited to board approvals, shareholders' approvals and amendments to the constitutional documents of the relevant parties) required to complete and effect the arrangements contemplated under the Framework Agreement.

The time at which the last of all the property purchase agreements and the required documents and/or approvals are executed and/or obtained by the parties thereto and have become unconditional and effective in accordance with the terms thereto is referred to as the “**Effective Time**”.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are as follows:

Date: 15 May 2009

Parties:

- (a) Mr. Pan
- (b) Ms. Yan
- (c) Beijing Danshi
- (d) BVI-9
- (e) Redstone Jianwai
- (f) the Company

Subject matter: The parties agreed as follows:

- (a) Beijing Danshi shall designate a member of the Group to be the Designated Company for acquiring the Properties under the Property Transfer and further procure the Chongwen Parties and Beijing Tianjie to execute the property purchase contracts with the Designated Company for the transfer of all the Properties from Beijing Tianjie to the Designated Company by no later than 31 October 2009;
- (b) Beijing Danshi shall assign and transfer the Right of First Refusal to a member of the Group whenever such Right of First Refusal arises;

- (c) the Company shall bear the financing cost incurred by Beijing Danshi for the investment made by Beijing Danshi to Beijing Tianjie during the period from 15 May 2009 up to the Effective Time (currently the monthly financing cost is approximately RMB5,970,000, equivalent to approximately HK\$6,779,468); and
- (d) the parties thereto shall terminate or procure the termination of the Interim Agreement, the Equity Transfer Agreement and the Project Management Agreement at the Effective Time.

Terms of the Property Transfer, adjustment mechanism and payment arrangements:

The terms of the Property Transfer, including the total consideration for the purchase of the Properties, the adjustment mechanism and payment arrangements, are the same as those under the Framework Agreement, details of which are summarised in the section headed “The Framework Agreement” above.

The consideration will be paid by the Designated Company from its internal resources.

Condition precedent:

The Supplemental Agreement is conditional upon the Company having obtained the approval of the Independent Shareholders at the EGM in relation to the Restructuring and the Supplemental Agreement in accordance with the Listing Rules.

Obligations after satisfaction of condition precedent:

Within three (3) business days after the satisfaction of the condition precedent to the Supplemental Agreement and the obtaining of the sales permits for all that part of the Properties situated at Qianmen Avenue, Beijing Danshi shall procure that the following documents and/or approvals are duly executed and/or obtained by Beijing Danshi and the relevant parties (as appropriate):

- (a) the property purchase agreements for the transfer of all the Properties from Beijing Tianjie to the Designated Company under the Property Transfer;
- (b) the equity transfer agreement for the transfer of the 49% Interest from Beijing Danshi to the Chongwen Parties or an entity nominated by the Chongwen Parties under the Equity Transfer; and
- (c) any other documents or approvals (including but not limited to board approvals, shareholders’ approvals and amendments to the constitutional documents of the relevant parties) required to complete and effect the arrangements contemplated under the Framework Agreement and the

Supplemental Agreement.

The parties agreed that:

- (a) the equity transfer agreement for the transfer of the 49% Interest from Beijing Danshi to the Chongwen Parties or an entity nominated by the Chongwen Parties under the Equity Transfer shall only become effective as from the Effective Time; and
- (b) the Effective Time shall not in any event be later than 31 October 2009.

INFORMATION ON THE GROUP

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 Beijing.

Redstone Jianwai

Redstone Jianwai is a company established in the PRC and is owned as to 95% by the Company and as to 5% by Redstone Industry as at the date of this announcement. Redstone Jianwai is principally engaged in the business of real estate development.

BVI-9

BVI-9 is a wholly-owned subsidiary of the Company incorporated under the laws of the British Virgin Islands. BVI-9 is principally engaged in the business of investment holding.

INFORMATION ON BEIJING DANSHI

Beijing Danshi is a company established in the PRC and is owned as to 90% by Mr. Pan and as to 10% by Ms. Yan as at the date of this announcement. Beijing Danshi is principally engaged in the business of development and sale of commercial properties.

INFORMATION ON CHONGYUAN

Chongyuan is a company established in the PRC and is wholly-owned by District SASAC as at the date of this announcement. Chongyuan is principally engaged in the business of investment holding.

INFORMATION ON BEIJING TIANJIE AND THE PROPERTIES

Beijing Tianjie

Beijing Tianjie is a company established in the PRC and is owned as to 48.5% by District SASAC, as to 2.5% by Chongyuan and as to 49% by Beijing Danshi as at the date of this announcement. Beijing Tianjie is principally engaged in the business of property development and sale. Beijing Tianjie has been granted the right to develop and operate the Project and has obtained some of the land use rights of the Project.

The Properties

The Properties are retail properties situated at the best areas of the Project and consist of: (i) the properties located at Qianmen Avenue, with estimated saleable floor area of 20,744 square meters at ground level and estimated saleable floor area of 2,019 square meters at basement level one; and (ii) the properties located at the east side of Qianmen Avenue, with estimated saleable floor area of not less than 20,861 square meters at ground level and estimated saleable floor area of not less than 11,067 square meters at basement level one. The total consideration for the acquisition of the Properties payable by the Designated Company under the Restructuring Agreements shall be RMB1,768,052,963 (equivalent to approximately HK\$2,007,782,152).

The Properties situated at Qianmen Avenue are fully developed by Beijing Tianjie and the Properties situated at the east side of Qianmen Avenue are or will be developed by Beijing Tianjie in due course. All of the Properties will be transferred to the Designated Company, together with the relevant land use rights to the Properties. The 12 Heritage Sites (as defined in the Prospectus) will not form part of the Properties to be transferred to the Designated Company. As such, the indemnity granted by Mr. Pang and Ms. Zhang in favour of BVI-9 in respect of the 12 Heritage Sites as disclosed in the Prospectus will no longer apply after the Properties are delivered to the Designated Company.

Assuming the 11 Parcels are not acquired by Beijing Tianjie after the date of this announcement, Beijing Tianjie will retain the ownership of the remaining properties with an estimated saleable floor area of approximately 45,467 square meters situated at Qianmen Avenue (which are fully developed) and the right to develop the other undeveloped land parcels of the Project.

The Company will have the Right of First Refusal in respect of all the properties and land parcels retained by Beijing Tianjie should Beijing Tianjie elect to dispose of the ownership of any built or half-built properties by way of a sale or other means or allow a third party to participate in the subsequent development of the other undeveloped land parcels of the Project. The Company can exercise the Right of First Refusal under the same terms and conditions offered to any third party.

After the Properties are delivered to the Designated Company as a buyer under the property purchase contracts, the Company intends to hold the Properties as investment holdings and will lease the Properties to retailers through the Designated Company. In respect of the remaining parts of the Project, it will decide whether the Right of First Refusal should be excised when

such opportunity arises, taking into consideration of the market condition, the Group's development strategy and other considerations that the Board deems relevant.

After the Properties are delivered to the Designated Company, the non-competition undertakings granted by the Company's controlling shareholders in favour of the Company as disclosed in the Prospectus will remain valid.

REASONS FOR ENTERING INTO THE RESTRUCTURING

Under the original arrangements for the Project, the Company has the right to acquire from Beijing Danshi all its rights and obligations under a Cooperation Agreement through the acquisition of the 49% Interest, subject to obtaining the requisite government approvals. Beijing Tianjie is the project company for the development of the 33 Parcels (with a total planned saleable floor area of approximately 134,333 square meters) to which Beijing Tianjie already had the right to develop and any of the 11 Parcels that Beijing Tianjie may acquire through public tender.

Had the requisite government approvals for the transfer of the 49% Interest to the Company been obtained, the Company would have the right under the Cooperation Agreement to undertake the entire development of the 33 Parcels and any of the 11 Parcels that may be acquired by Beijing Tianjie and to enjoy 100% economic interest derived from the development of such parcels of land.

Notwithstanding continuous efforts made by the Company and Beijing Danshi in procuring the requisite government approvals for the transfer of the 49% Interest to be granted, such approvals have not been forthcoming. As a result, all the parties to the original arrangements have agreed to enter into the Restructuring Agreements to restructure the original arrangements subject to the approval of the Independent Shareholders.

The Restructuring will enable the Company to acquire retail properties of a total estimated saleable floor area of not less than 54,691 square meters out of the 33 Parcels, of which approximately 22,763 square meters are located on Qianmen Avenue (which have been fully built) and approximately 31,928 square meters are located on the east side of Qianmen Avenue (most of which have not been built). The total purchase price payable by the Company for the Properties will be RMB1,768,052,963 (equivalent to approximately HK\$2,007,782,152) calculated at the unit price of RMB32,328 (equivalent to approximately HK\$36,711) per square meter.

In addition, the Company will also enjoy the Right of First Refusal to acquire any interest in the remaining parts of the Project under the same terms and conditions offered to any third party for such interest.

The Board noted that, HK\$2.2 billion of the proceeds from the initial public offering was earmarked for the development of the Project. The total purchase price for the acquisition of the Properties is RMB1,768,052,963 (equivalent to approximately HK\$2,007,782,152). The remaining part of the proceeds earmarked for the development of the Project will be used as funding for any acquisitions that the Group may make in the future and/or construction cost for

existing and future projects of the Group, or as funding for the exercise of the Right of First Refusal in respect of the remaining parts of the Project.

The Board has unanimously approved the Restructuring and the entering into of the Supplemental Agreement. The Board believes that the entering into of the Supplemental Agreement by the Company is fair and reasonable and in the best interests of the Company and the Shareholders in the current economic environment:

- (a) the Restructuring allows the Company to acquire the most desirable areas of the Project;
- (b) the Company is no longer required to pay the land cost and development cost for the entire 33 Parcels of the Project, including land parcels at less desirable locations, which the Board believes is in the best interests of the Company and the Shareholders given the current economic environment;
- (c) the Right of First Refusal also allows the Company, at its option, to acquire any interest in the remaining parts of the Project if and when such interest is offered to any third party; and
- (d) this is the only viable way to resolve the impasse as a result of the requisite government approvals not being forthcoming.

The Directors (excluding the independent non-executive Directors) consider that the terms and conditions of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the Restructuring constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Through a trust arrangement, to which Ms. Zhang is one of the beneficiaries, Ms. Zhang is interested as to 64.08% of the equity interest in the Company. As Mr. Pan, an executive Director and the chairman of the Board, holds 90% equity interest in Beijing Danshi, Beijing Danshi is a connected person of the Company and accordingly the Restructuring constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The entering into of the Restructuring is subject to the approval of the Independent Shareholders. The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Restructuring. Mr. Pan, Ms. Zhang and their respective associates are required to abstain from voting at the EGM. The Independent Board Committee comprising all the independent non-executive Directors was formed on 30 April 2009 to advise the Independent Shareholders on the Restructuring and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the Restructuring. In addition, CBRE has been retained to provide an independent valuation of the Properties to be acquired.

GENERAL

A circular containing, among other things, further details of the Restructuring, the Restructuring Agreements and other disclosures as required by the Listing Rules, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation from the Independent Board Committee together with the notice of the EGM will be despatched to the Shareholders in due course.

DEFINITIONS

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

“49% Interest”	the 49% equity interest held by Beijing Danshi in Beijing Tianjie
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Danshi”	北京丹石投資管理有限公司 (Beijing Danshi Investment Management Company Limited*), a company established in the PRC and is owned as to 90% by Mr. Pan and as to 10% by Ms. Yan
“Beijing Tianjie”	北京天街置業發展有限公司 (Beijing Tianjie Real Estate Development Company Limited*), a company established in the PRC and is owned as to 48.5% by District SASAC, as to 2.5% by Chongyuan and as to 49% by Beijing Danshi
“Board”	the board of Directors
“BVI-9”	SOHO China (BVI-9) Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on 28 September 2006 and is a wholly-owned subsidiary of the Company
“Chongwen Parties”	collectively, District SASAC and Chongyuan
“Chongyuan”	北京崇遠投資經營公司 (Beijing Chongyuan Investment Company Limited*), a company established in the PRC and is wholly-owned by District SASAC
“Company”	SOHO China Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Cooperation Agreement”	the cooperation agreement relating to the Project entered into between Redstone Industry, the Chongwen Parties and Beijing Tianjie on 9 March 2007, together with its subsequent amendments
“Designated Company”	a company designated by Beijing Danshi to acquire the Properties from Beijing Tianjie pursuant to the Framework Agreement
“Director(s)”	director(s) of the Company
“District SASAC”	北京市崇文區人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission under the People’s Government of Chongwen District of Beijing*), an independent third party to the Company which holds a 48.5% equity interest in Beijing Tianjie
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Restructuring
“Equity Transfer Agreement”	an equity transfer agreement entered into between Beijing Danshi, District SASAC, Chongyuan and BVI-9 on 16 May 2007
“Framework Agreement”	the framework agreement entered into between Beijing Danshi, District SASAC, Chongyuan and Beijing Tianjie on 15 May 2009
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors to advise the Independent Shareholders on the Restructuring
“Independent Shareholder(s)”	the Shareholder(s) other than Mr. Pan, Ms. Zhang and their respective associates
“Interim Agreement”	an agreement between Mr. Pan, Ms. Yan, Beijing Danshi, Redstone Jianwai, BVI-9 and the Company setting out certain contingency arrangements in the event of either delay

	in the PRC Government approvals for the transfer of the 49% Interest from Beijing Danshi to BVI-9 or such approvals not being provided
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pan”	Mr. Pan Shiyi, who is an executive Director and the chairman of the Board, and the husband of Ms. Zhang
“Ms. Yan”	Ms. Yan Yan, who is an executive Director and the president of the Company
“Ms. Zhang”	Mrs. Pan Zhang Xin Marita, who is an executive Director and the chief executive officer of the Company, and the wife of Mr. Pan
“PRC”	the People’s Republic of China
“Project”	the Tiananmen South (Qianmen) Project as detailed in Appendix IC of the Prospectus
“Project Management Agreement”	the project management and services agreement entered into between Beijing SOHO Properties Management Limited, Beijing Danshi and BVI-9 on 3 September 2007
“Prospectus”	the prospectus issued by the Company dated 21 September 2007 pursuant to the Company’s listing on the Stock Exchange
“Redstone Industry”	北京紅石實業有限責任公司 (Beijing Redstone Industry Co. Ltd.*), a company established in the PRC and is owned as to 85% by Mr. Pan and as to 15% by Ms. Yan
“Redstone Jianwai”	北京紅石建外房地產開發有限公司 (Beijing Redstone Jianwai Real Estate Development Co. Ltd.*), a company established in the PRC and is owned as to 95% by the Company and as to 5% by Redstone Industry
“Restructuring”	the proposed restructuring of the Project pursuant to the terms of the Restructuring Agreements
“Restructuring Agreements”	collectively, the Framework Agreement and the Supplemental Agreement
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	the ordinary share(s) with nominal value of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Interim Agreement entered into between Mr. Pan, Ms. Yan, Beijing Danshi, BVI-9, Redstone Jianwai and the Company on 15 May 2009
“%”	per cent.

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 RMB0.8806. 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.

** The English name is a translation of its Chinese name and is included for identification purposes only.*

By order of the Board
SOHO China Limited
PAN Shiyi
Chairman

Beijing, the PRC, 17 May 2009

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, Mr. Su Xin and Mr. Wang Shaojian Sean; and the independent non-executive directors of the Company are Dr. Ramin Khadem, Mr. Cha Mou Zing Victor and Mr. Yi Xiqun.