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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)

PROPOSED ISSUE OF
3.75% CONVERTIBLE BONDS DUE 2014

Joint Lead Managers

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C. Morgan Stanley & Co International plc

Morgan Stanley

 **UBS**
UBS AG

The Board is pleased to announce that on 27 May 2009, the Company and the Joint Lead Managers entered into a Subscription Agreement, pursuant to which each of the Joint Lead Managers has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for on a several basis in the proportions set out in the Subscription Agreement, the Bonds to be issued by the Company at par.

Based on the initial Conversion Price of HK\$5.88 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 476,190,476 Shares, representing approximately 9.2% of the issued share capital of the Company as at the date of this announcement and approximately 8.4% of the issued share capital of the Company as enlarged assuming full conversion of the Bonds. The New Shares will be allotted and issued pursuant to the general mandate of the Company granted to the Directors at the annual general meeting held on 19 May 2009 and will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date. The issue of the Bonds is not subject to the approval of the Shareholders. As at the date of this announcement, there has been no issue of Shares under the general mandate granted.

The estimated net proceeds from the issue of the Bonds, after deduction of commission and administrative expenses (amounting to approximately HK\$60,000,000), will be approximately HK\$2,740,000,000. The Board intends to use the net proceeds from the issue of the Bonds for general corporate purposes and potential strategic acquisitions.

Goldman Sachs (Asia) L.L.C., Morgan Stanley & Co International plc and UBS AG are the Joint Lead Managers for the issue of the Bonds.

The Company will apply to the Singapore Stock Exchange for the listing of the Bonds and to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

Completion of the subscription and issue of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “The Subscription Agreement” below for further information.

As the subscription and issue of the Bonds may or may not complete, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

27 May 2009

Parties

- (1) The Company;
- (2) Goldman Sachs (Asia) L.L.C.;
- (3) Morgan Stanley & Co International plc; and
- (4) UBS AG

The Company has entered into the Subscription Agreement with the Joint Lead Managers, pursuant to which and subject to the fulfilment of the conditions set out therein each of the Joint Lead Managers has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for on a several basis in the proportions set out in the Subscription Agreement, the Bonds to be issued by the Company at par. The maximum aggregate principal amount of the Bonds to be issued will be HK\$2,800,000,000.

Based on the initial Conversion Price of HK\$5.88 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 476,190,476 Shares, representing approximately 9.2% of the issued share capital of the Company as at the date of this announcement and approximately 8.4% of the issued share capital of the Company as enlarged assuming full conversion of the Bonds. The New Shares will be allotted and issued pursuant to the general mandate of the Company granted to the Directors at the annual general meeting held on 19 May 2009 and will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date. The issue of the Bonds is not subject to the approval of the Shareholders. As at the date of this announcement, there has been no issue of Shares under the general mandate granted.

Distribution

The Bonds will be offered and sold in an institutional offering outside the United States in reliance on Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons of the Company. The Bonds have not been offered or sold and will not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Joint Lead Managers are independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

The Joint Lead Managers have informed the Company that they intend to offer and sell the Bonds to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees (and their respective ultimate beneficial owners) is and will be independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

In connection with the issue of the Bonds, the Joint Lead Managers and their respective affiliates may also, for their own account, enter into asset swaps, credit derivatives or other derivative transactions relating to the Bonds and/or the New Shares at the same time as the offer and sale of the Bonds or in secondary market transactions (including synthetic short positions for investors of the Bonds).

The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealing in the Bonds by any connected person of the Company.

Undertakings

The Company has undertaken with the Joint Lead Managers that neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Joint Lead Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date, except for the Bonds and the New Shares issued on conversion of the Bonds.

Each of Boyce Limited and Capevale Limited (a company incorporated in the British Virgin Islands), the controlling Shareholders of the Company, will also undertake that, for a period commencing from the date of their respective lock-up agreements to 90 days after the Closing Date, without the prior written consent of the Joint Lead Managers, such controlling Shareholder will not (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares held by such controlling Shareholder or securities of the same class as such Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase such Shares or securities of the same class as such Shares or other instruments representing interests in such Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of such Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing (other than pursuant to the securities lending agreement(s) (if any) entered, or to be entered into between such controlling Shareholder and any of the Joint Lead Managers in connection with the offering of the Bonds, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of such Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing (other than pursuant to the securities lending agreement(s) (if any) entered, or to be entered, into between such controlling Shareholder and any of the Joint Lead Managers in connection with the offering of the Bonds.

Conditions Precedent to the Subscription Agreement

The obligations of the Joint Lead Managers to subscribe and pay for the Bonds are conditional upon:

- (1) **Due Diligence:** the Joint Lead Managers being satisfied with the results of their due diligence investigations with respect to the Company and the Group for the purposes of the preparation of the offering circular, and the offering circular having been prepared in form and content satisfactory to the Joint Lead Managers and having been delivered to the Joint Lead Managers not later than three Business Days prior to the Closing Date or such other date as may be agreed between the Company and the Joint Lead Managers;
- (2) **Other Contracts:** the execution and delivery (on or before the Closing Date) of the trust deed constituting the Bonds and the paying and conversion agency agreement in relation to the Bonds, each in a form reasonably satisfactory to the Joint Lead Managers, by the respective parties;
- (3) **Lock-up:** Boyce Limited and Capevale Limited having executed lock-up agreements on or before the Closing Date in the agreed form;
- (4) **Auditors' Letters:** upon the date of issue of the offering circular and the Closing Date, there having been delivered to the Joint Lead Managers letters, in form and substance satisfactory to the Joint Lead Managers, dated the date of issue of the offering circular in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Joint Lead Managers from the certified public accountants to the Company;

- (5) **Compliance:** at the Closing Date:
- (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on, such date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (iii) there having been delivered to the Joint Lead Managers a certificate in the agreed form, dated as of such date, of a duly authorised officer of the Company confirming, among other things, that there has been no material adverse change (nor any development or event involving a prospective change) to the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Consolidated Group (as defined in the Subscription Agreement) from that set out in the offering circular;
- (6) **Material Adverse Change:** after the date of the Subscription Agreement or, if earlier, the dates as of which information is given in the offering circular up to and at the Closing Date, there not having occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Company or of the Consolidated Group, which, in the opinion of the Joint Lead Managers, is material and adverse in the context of the issue and offering of the Bonds;
- (7) **Other Consents:** on or prior to the Closing Date there having been delivered to the Joint Lead Managers copies of all consents and approvals required in relation to the issue of the Bonds and the performance of its obligations under the trust deed, the paying and conversion agency agreement and the Bonds (including the consents and approvals required from all lenders);
- (8) **Approval of Qianmen Transactions:** approval for the Qianmen Transactions having been obtained from the shareholders of the Company;
- (9) **Certificate of No Default:** on the date of the Subscription Agreement, there having been delivered to the Joint Lead Managers a certificate of no default in the agreed form dated as of the date of the Subscription Agreement, of a duly authorised officer of the Company, confirming, among other things, that neither the Company nor any of its consolidated entities is in breach of or in default (nor has any event occurred which, with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement would result in a default by the Company or any of its consolidated entities) under the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or to which their respective properties are bound;
- (10) **Listing:** the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the Bonds and the Singapore Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Bonds (or, in each case, the Joint Lead Managers being reasonably satisfied that such listing will be granted); and

- (11) **Legal Opinions:** on or before the Closing Date, there having been delivered to the Joint Lead Managers legal opinions, in form and substance reasonably satisfactory to the Joint Lead Managers, dated the Closing Date and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Joint Lead Managers may reasonably require.

Each Joint Lead Manager may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions precedent.

Termination of the Subscription Agreement

The Joint Lead Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (1) if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
- (2) if any of the conditions precedent has not been satisfied or waived by the Joint Lead Managers on or prior to the Closing Date;
- (3) if in the opinion of the Joint Lead Managers there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any overthecounter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
- (4) if, in the opinion of the Joint Lead Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange, the Singapore Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong, Singapore and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds and the New Shares to be issued upon conversion of the Bonds or the transfer thereof; or

- (5) if, in the opinion of the Joint Lead Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer:	The Company.
Principal amount of the Bonds:	The aggregate principal amount of the Bonds will be HK\$2,800,000,000.
Maturity date:	2 July 2014
Issue price:	100% of the principal amount of the Bonds.
Interest:	The Bonds bear interest from the Closing Date at the rate of 3.75% per annum on the principal amount of the Bonds. The interest is payable semi-annually in arrear.
Conversion period:	Each Bondholder may exercise his/her/its conversion right at any time on or after the 40th day after the Closing Date up to the close of business on the seventh day prior to the Maturity Date (both days inclusive) or, if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption or if notice requiring redemption has been given by such Bondholder, then up to the close of business on the day prior to the giving of such notice.
Conversion Price:	The initial Conversion Price is HK\$5.88 per Share. The Conversion Price is subject to adjustment, pursuant to and subject to the terms and conditions of the Bonds, upon the occurrence of certain prescribed events, including but not limited to consolidation, subdivision or reclassification of Shares, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities and issues at less than current market price. The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would fall to be issued at a discount to their par value.

Number of New Shares issuable:	476,190,476 New Shares will be issued upon conversion in full of all the Bonds based on the initial Conversion Price of HK\$5.88 per Share.
Ranking of Shares:	The New Shares will rank <i>pari passu</i> in all respects with the Shares then in issue on the date on which the relevant Bondholder is registered as a member of the Company on the Company's register of members.
Redemption at maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the terms and conditions of the Bonds, the Company will redeem each Bond at its principal amount together with unpaid accrued interest thereon on the Maturity Date.
Redemption for taxation reasons:	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) in accordance with the terms and conditions of the Bonds at their principal amount together with interest accrued to the date of redemption, if (i) the Company satisfies the trustee of the Bonds immediately prior to the giving of such notice that the Company has or will become obliged to pay additional tax amounts as provided or referred to in the terms and conditions of the Bonds as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands and Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 27 May 2009, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no notice to redeem the Bonds for such taxation reasons shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

Redemption at the option of the Company: On giving not less than 30 nor more than 90 days' notice to the Bondholders and the trustee of the Bonds (which notice shall be irrevocable), the Company:

- (1) may at any time after 2 July 2012 redeem all, but not some only, of the Bonds for the time being outstanding at their principal amount together with interest accrued to the date fixed for redemption, provided that the closing price of the Shares (as derived from the daily quotations sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange) for 20 out of 30 consecutive trading days (as defined in the terms and conditions of the Bonds), the last of which occurs not more than 30 days prior to the date upon which notice of such redemption is published was at least 130% of the Conversion Price in effect on such trading day; or
- (2) may at any time redeem all, but not some only, of the Bonds for the time being outstanding at their principal amount together with interest accrued to the date of redemption provided that prior to the date of such notice at least 90% in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.

Redemption at the option of the Bondholders: The Company will, at the option of any Bondholder, redeem all or some only of such Bondholder's Bonds on 2 July 2012 at their principal amount together with interest accrued to the date of redemption.

Redemption for delisting and change of control: Following the occurrence of any of the following events:

- (1) when the Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange or, if applicable, an Alternative Stock Exchange; or
- (2) when there is a Change of Control,

each Bondholder will have the right at his/her/its option, to require the Company to redeem all or some only of his/her/its Bonds at their principal amount together with interest accrued to the date fixed for redemption.

Transferability: The Bonds will be freely transferable.

Status:	The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.
Denomination:	HK\$100,000 each or integral multiples thereof without coupons attached.
Voting Rights:	Before conversion of the Bonds, the Bondholders will not have any right to attend or vote at any general meeting of the Company by virtue of their being Bondholders.
Listing:	An application will be made to the Singapore Stock Exchange for the listing of the Bonds and to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

COMPARISON OF CONVERSION PRICE

The initial Conversion Price of HK\$5.88 represents:

- (1) a premium of 20.00% over the closing price of the Shares of HK\$4.90 as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (2) a premium of 20.49% over the volume weighted average closing price of HK\$4.88 per Shares for the last five consecutive trading days up to and including the Last Trading Day; and
- (3) a premium of 24.58% over the volume weighted average closing price of HK\$4.72 per Shares for the last ten consecutive trading days up to and including the Last Trading Day.

The initial Conversion Price was determined after arm's length negotiations between the Company and the Joint Lead Managers with reference to the closing price of the Shares quoted on the Hong Kong Stock Exchange on the Last Trading Day.

GENERATE MANDATE

By a resolution of the shareholders of the Company passed at the annual general meeting held on 19 May 2009, the Company granted a general mandate to the Directors to allot and issue up to 20% of the issued share capital of the Company, being 1,037,531,400 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this announcement, the Company is entitled to issue up to 1,037,531,400 Shares pursuant to such general mandate. The New Shares will be issued under such general mandate.

APPLICATION FOR LISTING

The Company will apply to the Singapore Stock Exchange for the listing of the Bonds and to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The Board considers that the entry into of the Subscription Agreement and the issue of the Bonds pursuant to it represent an opportunity to broaden the capital base of the Company and to obtain immediate funding on attractive terms. The Board considers that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

USE OF PROCEEDS

The estimated net proceeds from the issue of the Bonds, after deduction of commission and administrative expenses (amounting to approximately HK\$60,000,000, will be approximately HK\$2,740,000,000. The Board intends to use the net proceeds from the issue of the Bonds for general corporate purposes and potential strategic acquisitions.

SHAREHOLDING OF THE COMPANY

The table below summarises the shareholding structure of the Company: (i) as at the date of this announcement; and (ii) upon the conversion of the Bonds into Shares in full. This table is based on the interests in Shares which have been disclosed to the Company pursuant to Part XV of the Securities and Futures Ordinance as at the date of this announcement.

Name of Shareholder	Shareholding as at the date of this announcement		Shareholding upon the conversion of the Bonds into Shares in full at the initial Conversion Price of HK\$5.88 each	
	<i>No. of Shares</i>	<i>Approximate % of issued share capital of the Company</i>	<i>No. of Shares</i>	<i>Approximate % of issued share capital of the Company</i>
Pan Zhang Xin Marita HSBC International Trustee Limited (<i>Note 1</i>)	3,324,100,000	64.077%	3,324,100,000	58.690%
Capevale Limited	3,324,100,000	64.077%	3,324,100,000	58.690%
Boyce Limited (<i>Note 2</i>)	1,662,050,000	32.039%	1,662,050,000	29.345%
Capevale Limited (<i>Note 3</i>)	1,662,050,000	32.039%	1,662,050,000	29.345%
Bondholders	0	0	476,190,476	8.408%
Other Shareholders	1,860,648,000	35.867%	1,860,648,000	32.851%
Total	5,187,657,000	100%	5,663,847,476	100%

Notes:

- (1) HSBC International Trustee Limited (in its capacity as the trustee of The Little Brothers Settlement constituted on 25 November 2005 (the “Trust”)) is the legal owner of 100% of the shares in the issued share capital of Capevale Limited, a company incorporated in the Cayman Islands. HSBC International Trustee Limited holds 3,324,100,000 shares under the Trust for the benefit of the beneficiaries of the Trust, including Mrs. Pan Zhang Xin Marita. Each of Boyce Limited and Capevale Limited, both incorporated in the British Virgin Islands, is the registered owner of 1,662,050,000 shares, or approximately 32.039% the Company’s shares before the conversion of the Bonds.
- (2) Boyce Limited, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Capevale Limited, a company incorporated in the Cayman Islands. Mrs. Pan Zhang Xin Marita is the sole director of Boyce Limited.
- (3) Capevale Limited, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of Capevale Limited, a company incorporated in the Cayman Islands. Mrs. Pan Zhang Xin Marita is the sole director of Capevale Limited.

FUND RAISING IN THE PAST 12 MONTHS

The Company has not carried out any capital fund raising activities since the listing of its Shares on the Main Board of the Hong Kong Stock Exchange on 8 October 2007.

GENERAL

Goldman Sachs (Asia) L.L.C., Morgan Stanley & Co International plc and UBS AG act as the Joint Lead Managers for the issue of the Bonds.

Completion of the subscription and the issue of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “The Subscription Agreement” above for further information.

As the subscription and the issue of the Bonds may or may not be completed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

ABOUT SOHO CHINA LIMITED

Founded in 1995, the Company is the industry leader in developing high-profile branded commercial properties in central Beijing. The Company collaborates with internationally-recognised architects, translating their innovative designs into iconic real estate which possesses strong appeal to property investors and the local businesses and customer bases which they serve.

On 8 October 2007, the Company was successfully listed on the Hong Kong Stock Exchange as the largest IPO from China’s private sector and the largest IPO for commercial real estate developers in Asia. The Company was named as one of the “Most Admired Companies” in China by Fortune (China) Magazine from 2006 to 2008.

For the year ended 31 December 2008, the Group achieved a turnover of RMB3,121 million, gross profit of RMB1,544 million and gross profit margin of 49%. Net profit attributable to equity shareholders of the Company for the year ended 31 December 2008 was RMB399 million. During 2008, the Group achieved total pre-sale/sale amount of RMB7,725 million, 92% higher than that of 2007. Year to date ending 26 May 2009, the Group achieved total pre-sales of approximately RMB3,577 million. This together with approximately RMB6,921 million of pre-sales achieved but not booked in 2008 amount to RMB10,498 million. Part of this RMB10,498 million is expected to be recognised as turnover in the second half of 2009, consistent with expected completion dates of Sanlitun SOHO and ZhongGuanCun SOHO at the end of the year. The remainder is expected to be recognised as turnover in 2010.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Bonds from time to time
“Bonds”	the 3.75% convertible bonds due 2014 of the aggregate principal amount of HK\$2,800,000,000 to be issued by the Company
“Business Day”	a day on which banks are open for business Hong Kong and London
“Change of Control”	occurs when: (i) any Person or Persons (other than one or more Existing Major Shareholders) acting together acquires Control; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the assets of the Company to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Company or the successor entity.

“Closing Date”	2 July 2009 or such earlier date as the Company and the Joint Lead Managers may agree
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	SOHO China Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Control”	means the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Price”	the price at which New Shares will be issued upon conversion of the Bonds which will initially be HK\$5.88 per Share and will be subject to adjustment in the manner provided in the terms and conditions of the Bonds
“Director(s)”	director(s) of the Company
“Existing Major Shareholder”	means each of Mr. Pan and Ms. Zhang and/or any of their respective associates and/or any trusts established for the benefit of them and/or their immediate family members (“ related trusts ”) and/or companies controlled by them, their immediate family members or related trusts and such companies’ direct or indirect subsidiaries
“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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Joint Lead Managers”	Goldman Sachs (Asia) L.L.C., Morgan Stanley & Co International plc and UBS AG
“Last Trading Day”	26 May 2009, being the last full trading day immediately before the release of this Announcement

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maturity Date”	2 July 2014, being the fifth anniversary of the Closing Date
“New Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds
“Person”	includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the board of directors of the Company or any other governing board and does not include the wholly-owned direct or indirect Subsidiaries of the Company
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Qianmen Transaction”	the transaction involving the restructuring of the Tiananmen South (Qianmen) Project of the Company, details of which are disclosed in the Company’s announcement dated 17 May 2009
“Regulation S”	Regulation S under the Securities Act
“Securities Act”	the US Securities Act of 1933, as amended
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Singapore Stock Exchange”	Singapore Exchange Securities Trading Limited
“Subscription Agreement”	the subscription agreement entered into between the Company and the Joint Lead Managers dated 27 May 2009 in respect of the issue of the Bonds
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“US” or “United States” the United States of America

“%” per cent.

By order of the Board
SOHO China Limited
PAN Shiyi
Chairman

Beijing, the PRC, 27 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.