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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)**

## **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF WANG JING LAND FOR COMMERCIAL USE**

#### **THE LAND TRANSFER CONTRACT AND THE REIMBURSEMENT AGREEMENTS**

It was announced by the Company on 3 September 2009 that, on the same day, the Group made a successful bid of RMB4 billion for the land use right to a parcel of land, plot B29 situated in the centre of Wang Jing, Chaoyang District, Beijing, through a public bidding process organized and held by Beijing Land Centre, as agent of Beijing Land Bureau.

On 3 September 2009, Beijing Land Centre issued the Bid Confirmation to the Group, pursuant to which Beijing Land Centre confirmed that the Group has won the bid for the land use right to the Land at RMB4 billion. On 30 September 2009, as required under the Bid Confirmation, the Group entered into the Reimbursement Agreements with Beijing City Development, pursuant to which the Group agreed to reimburse Beijing City Development for the Initial Development of the Land. On 12 October 2009, as required under the Bid Confirmation, the Group entered into the Land Transfer Contract with Beijing Land Bureau for the transfer of the land use right to the Land.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Land Transfer Contract and the Reimbursement Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **BACKGROUND**

On 3 September 2009, the Group made a successful bid of RMB4 billion for the land use right to the Land through a public bidding process organized and held by Beijing Land Centre, as agent of Beijing Land Bureau.

On 3 September 2009, Beijing Land Centre issued the Bid Confirmation to the Group, pursuant to which Beijing Land Centre confirmed that the Group has won the bid for the land use right to the Land at RMB4 billion. The Land in respect of which the land use right is to be granted is plot B29 situated in the centre of Wang Jing, Chaoyang District, Beijing, with a site area of approximately 48,152 square metres and is permitted for commercial and composite uses.

On 30 September 2009, Star Well and Xin Mu Shi Ji entered into the Reimbursement Agreements with Beijing City Development for the reimbursement of the costs incurred by Beijing City Development in carrying out the Initial Development.

On 12 October 2009, Star Well and Xin Mu Shi Ji entered into the Land Transfer Contract with Beijing Land Bureau for the transfer of the land use right to the Land at the Land Transfer Price, of which RMB1,258,425,400, being the Reimbursement, shall be payable to Beijing City Development as reimbursement for the costs incurred by Beijing City Development in carrying out the Initial Development prior to the sale of the land use right to the Land.

## **THE LAND TRANSFER CONTRACT**

The principal terms of the Land Transfer Contract are as follows:

Date: 12 October 2009

Parties: (1) Beijing Land Bureau, as transferor  
(2) Star Well and Xin Mu Shi Ji, as transferees

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Beijing Land Bureau and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Subject matter: Beijing Land Bureau agrees to transfer to Star Well and Xin Mu Shi Ji the land use right to the Land.

Term: The transfer of land use right to the Land is for a term of 40 years for commercial use and 50 years for composite use, commencing from the date of execution of the Land Transfer Contract.

Land Transfer Price: The Land Transfer Price for the transfer of the land use right to the Land is RMB4,000,000,000, which comprises the following:

- (a) Government land premium, being RMB2,741,574,600; and
- (b) Reimbursement, being RMB1,258,425,400.

Within 3 working days of the execution of the Land Transfer Contract, Star Well and Xin Mu Shi Ji shall pay the full amount of the Government land premium. The sum of RMB150,000,000, being the earnest money deposited on 20 August 2009 by Star Well and Xin Mu Shi Ji with Beijing Land Centre for the bidding of the land use right to the Land shall be applied towards payment of the Government land premium. The full amount of the Government land premium has been paid by Star Well and Xin Mu Shi Ji as at the date of this announcement.

Star Well and Xin Mu Shi Ji shall pay the Reimbursement to Beijing City Development in accordance with the terms of the Reimbursement Agreements.

Responsibilities of  
Star Well and  
Xin Mu Shi Ji:

Star Well and Xin Mu Shi Ji shall, among other things, enter into the Reimbursement Agreements with Beijing City Development and apply to the relevant authority for the registration of the land use right to obtain the State-owned land use right certificate. Star Well and Xin Mu Shi Ji shall utilise the Land in accordance with the uses as set out in the Land Transfer Contract. Star Well and Xin Mu Shi Ji shall enter into supplemental land transfer contract with Beijing Land Bureau in relation to any change to the uses of the Land.

The project development of the Land shall commence before 1 April 2010 and be completed before 1 October 2012.

## THE ORIGINAL REIMBURSEMENT AGREEMENT

The principal terms of the Original Reimbursement Agreement are as follows:

- Date: 30 September 2009
- Parties:
- (1) Beijing City Development
  - (2) Star Well
  - (3) Xin Mu Shi Ji

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Beijing City Development and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Payment terms for the Reimbursement: The total sum of RMB1,258,425,400, being the Reimbursement, is payable by Star Well and Xin Mu Shi Ji to Beijing City Development as reimbursement for the costs incurred by Beijing City Development in carrying out the Initial Development.

Under the Original Reimbursement Agreement, the Reimbursement will be payable in several instalments within a certain time frame and upon fulfilment of certain conditions. Most of these payment terms have been amended pursuant to the Supplemental Reimbursement Agreement save and except for the payment of the final balance of RMB50,000,000. The amended payment terms are summarised in the paragraph headed "The Supplemental Reimbursement Agreement" below.

Responsibilities of Beijing City Development: Beijing City Development has completed the infrastructure works within the boundary of the Land, including the provision of road, drainage system, water pipes, gas, electricity and heating supply, telecommunication network and leveling of the Land. Beijing City Development shall provide five urban pipes and cables outside the boundary of the Land (drainage system, water pipes, electricity, gas, telecommunication network).

## THE SUPPLEMENTAL REIMBURSEMENT AGREEMENT

The principal terms of the Supplemental Reimbursement Agreement are as follows:

Date: 30 September 2009

Parties: (1) Beijing City Development  
(2) Star Well  
(3) Xin Mu Shi Ji

Revised payment terms for the Reimbursement: Beijing City Development, Star Well and Xin Mu Shi Ji agreed to revise the payment terms of the Reimbursement as set out in the Original Reimbursement Agreement as follows:

- (1) Upon signing of the Original Reimbursement Agreement, Star Well and Xin Mu Shi Ji shall pay Beijing City Development the sum of RMB251,685,080, representing 20% of the Reimbursement, within 3 working days from the date of execution of the Original Reimbursement Agreement. Such sum has been paid by Star Well and Xin Mu Shi Ji as at the date of this announcement.
- (2) Upon fulfilment of the following conditions, Star Well and Xin Mu Shi Ji shall pay Beijing City Development the sum of RMB251,685,080, representing 20% of the Reimbursement:
  - (a) Beijing City Development having delivered certain documents in relation to the Land as set out in the Supplemental Reimbursement Agreement to Star Well and Xin Mu Shi Ji prior to 10 November 2009;
  - (b) Beijing City Development having assisted Star Well and Xin Mu Shi Ji on the urban work; and
  - (c) Star Well and Xin Mu Shi Ji having commenced certain infrastructure works as set out in the Supplemental Reimbursement Agreement.

- (3) Upon fulfilment of the following conditions before 15 March 2010, Star Well and Xin Mu Shi Ji shall pay Beijing City Development the sum of RMB705,055,240:
  - (a) Beijing City Development having delivered the Land to Star Well and Xin Mu Shi Ji; and
  - (b) Beijing City Development, Star Well and Xin Mu Shi Ji having executed the documents for the delivery of the Land.
- (4) Beijing City Development shall, among other things, be responsible for the provision of five urban pipes and cables (drainage system, water pipes, electricity, gas, telecommunication network) outside the boundary of the Land. For the installation of each of the five urban pipes and cables, RMB10,000,000 shall be payable for each installation, 5 working days prior to the reporting of the installation.

Save as disclosed above, the terms and conditions of the Original Reimbursement Agreement shall remain effective.

## **INFORMATION ON THE COMPANY, STAR WELL AND XIN MU SHI JI**

### **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 central Beijing and Shanghai.

### **Star Well**

Star Well is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement. The principal business activity of Star Well is investment holding.

### **Xin Mu Shi Ji**

Xin Mu Shi Ji is a company established in the PRC and is a wholly-owned subsidiary of the Company as at the date of this announcement. The principal business activity of Xin Mu Shi Ji is investment holding.

## **INFORMATION ON BEIJING LAND CENTRE, BEIJING LAND BUREAU AND BEIJING CITY DEVELOPMENT**

The Directors are informed that Beijing Land Centre is an agent of Beijing Land Bureau, a government entity, responsible for organizing and holding the public bidding for the land use right to the Land. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Beijing City Development, whose principal business is property development, and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **REASONS FOR ENTERING INTO THE LAND TRANSFER CONTRACT AND THE REIMBURSEMENT AGREEMENTS**

As the Group is principally engaged in commercial property development in Beijing and Shanghai, the transaction is in the ordinary and usual course of business of the Group.

The Land is situated in the centre of Wang Jing, Chaoyang District, Beijing. The Board considers that Wang Jing area is Beijing's largest scale, most mature high-end residential area, which is noticeably lacking in large-scale office and commercial facilities. The development of the Land will complete and add balance to the overall urban master plan for Wang Jing. As with other projects of the Group, there is excellent accessibility to the Land, with two subway lines and one light rail nearby and easy access to the airport expressway. This development, zoned to stand 200 meters high, will be the first landmark and point of access to central Beijing from the airport expressway. Wang Jing is also home to the China headquarters of many multinational companies, including Daimler, Siemens, Microsoft, and Caterpillar whose headquarters are situated next to the Land.

The Board further considers that the large-scale development of the Land fits well with the Group's core strategy. The Land is acquired at very reasonable price and the acquisition of the Land will further establish the Group's presence in another key area of Beijing.

The Directors further consider that the terms of the Land Transfer Contract and the Reimbursement Agreements are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Land Transfer Contract and the Reimbursement Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## 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
“Beijing City Development”	北京城市開發集團有限責任公司 (Beijing City Development Group Company Limited)
“Beijing Land Bureau”	北京市國土資源局 (Beijing State-owned Land Resources Bureau)
“Beijing Land Centre”	北京市土地整理儲備中心 (Beijing Land Reorganization and Reserve Centre)
“Bid Confirmation”	北京市國有建設用地使用權掛牌出讓成交確認書 (Beijing Municipal State-owned Development Land Use Right Bid Confirmation) in respect of the Land dated 3 September 2009 and issued by Beijing Land Centre
“Board”	the board of directors of the Company
“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)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Development”	the initial land development (開發) of the Land, which includes the carrying out of infrastructure works in relation to the Land, including the provision of road, drainage system, water pipes, gas, electricity and heating supply, telecommunication network and leveling of the Land
“Land”	plot B29 situated in the centre of Wang Jing, Chaoyang District, Beijing



“Land Transfer Contract”	國有建設用地使用權出讓合同 (Contract for the transfer of the land use right of State-owned construction land) in respect of the Land dated 12 October 2009 and entered into among Star Well, Xin Mu Shi Ji and Beijing Land Bureau
“Land Transfer Price”	RMB4,000,000,000, being the price for the transfer of the land use right to the Land under the Land Transfer Contract
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Reimbursement Agreement”	the agreement for reimbursement of land development dated 30 September 2009 and entered into among Beijing City Development, Star Well and Xin Mu Shi Ji
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reimbursement”	the sum of RMB1,258,425,400 payable by Star Well and Xin Mu Shi Ji to Beijing City Development under the Reimbursement Agreements
“Reimbursement Agreements”	the Original Reimbursement Agreement and the Supplemental Reimbursement Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Star Well”	星潤實業有限公司 (Star Well Industrial Limited), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Reimbursement Agreement”	the supplemental agreement for reimbursement of land development dated 30 September 2009 and entered into among Beijing City Development, Star Well and Xin Mu Shi Ji

“Xin Mu Shi Ji”

北京新幕世紀投資管理有限公司 (Beijing Xin Mu Shi Ji Management Company Limited), a company established in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement

“%”

per cent.

By order of the Board  
**SOHO China Limited**  
**Pan Shiyi**  
*Chairman*

Beijing, the PRC, 23 October 2009

*As at the date of this announcement, the Board comprises Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita, Ms. Yan Yan and Mr. Wang Shaojian, Sean, being the executive Directors, and Dr. Ramin Khadem, Mr. Cha Mou Zing, Victor and Mr. Yi Xiqun, being the independent non-executive Directors.*