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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)

VOLUNTARY ANNOUNCEMENT
PROPOSED ACQUISITION OF LAND LOT NO. 43
IN SHANGHAI LU WAN DISTRICT

PROPOSED ACQUISITION

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 12 October 2010, SOHO Shanghai, a wholly-owned subsidiary of the Company, and Hua Li, a company established in Shanghai and whose shares are listed on the Shanghai Stock Exchange, entered into the Cooperative Framework Agreement, pursuant to which Hua Li, the original purchaser of the Target Shares under a sale and purchase agreement entered into with Sheng Da, agreed to transfer to SOHO Shanghai its right to purchase the Target Shares from Sheng Da, and SOHO Shanghai agreed to purchase the Target Shares and cooperate with Hua Li in the development of the Project through the Project Company.

Upon completion of the Proposed Acquisition under the Cooperative Framework Agreement, SOHO Shanghai will own 48.4761% equity interest in the Project Company that owns the Project located at land lot No. 43, Lu Wan District, Shanghai. Hua Li will continue to hold 51.5239% equity interest in the Project Company.

The Project is situated in the centre of the Huai Hai Road commercial district with direct access to subway line 10 and subway line 13 (under construction). It is situated next to Huai Hai Road Central, the most vibrant and cosmopolitan commercial street in Shanghai, and Shanghai Xintiandi that has the most lively commercial atmosphere. The Project is for commercial and office use. It has a total site area of 20,084 m², with a total planned gross floor area of approximately 137,442 m², including 72,467 m² above ground office and commercial area and 64,975 m² underground commercial area and auxiliary car parks.

The Proposed Acquisition and the Cooperative Framework Agreement are subject to majority shareholders approval of Hua Li in its extraordinary shareholders meeting to be held on 27 October 2010. The Company does not contemplate any failure by Hua Li to obtain such majority shareholders approval. In the event Hua Li fails to obtain such majority shareholders approval, a further announcement will be made by the Company.

Besides, SOHO Shanghai plans to commence further discussion with Hua Li as to the acquisition of the remaining 51.5239% equity interest in the Project Company from Hua Li at the same consideration calculated under the Cooperative Framework Agreement after completion of the Proposed Acquisition (“Possible Acquisition”). Further announcement in respect of the Possible Acquisition will be made, if necessary, in compliance with the Listing Rules.

This is a voluntary announcement made by the Company.

THE COOPERATIVE FRAMEWORK AGREEMENT

The Board is pleased to announce that on 12 October 2010, (1) SOHO Shanghai, a wholly-owned subsidiary of the Company, and (2) Hua Li, a company established in Shanghai and whose shares are listed on the Shanghai Stock Exchange, entered into the Cooperative Framework Agreement. The principal terms of the Cooperative Framework Agreement are as follows:

Subject matter: Pursuant to a sale and purchase agreement entered into between Hua Li and Sheng Da in August 2009 (the “**Original Sale and Purchase Agreement**”), Hua Li is entitled to purchase the Target Shares from Sheng Da at a consideration of RMB707,100,000. As at the date of this announcement, Hua Li has paid RMB373,810,000 to Sheng Da, with a balance of RMB333,290,000 to be paid (the “**Remaining Balance**”). On 10 September 2010, Hua Li and Sheng Da entered into a supplemental agreement, pursuant to which Sheng Da agreed to transfer the Target Shares to Hua Li’s designated third party upon receiving the Remaining Balance. Pursuant to the Cooperative Framework Agreement, Hua Li agreed to transfer to SOHO Shanghai its right to purchase the Target Shares from Sheng Da, and SOHO Shanghai agreed to purchase the Target Shares and cooperate with Hua Li in the development of the Project through the Project Company.

Consideration and payment: The consideration payable by SOHO Shanghai for the Target Shares shall be RMB1,211,900,000, which shall be paid in the following manner:

- (a) On the closing date, SOHO Shanghai shall pay the Remaining Balance to Sheng Da and an amount of RMB373,810,000 to Hua Li upon fulfillment of certain conditions, including (i) the Cooperative Framework Agreement having been approved by the shareholders of Hua Li and become effective; (ii) the execution of a share transfer agreement in respect of the Target Shares by SOHO Shanghai and Sheng Da; and (iii) the completion of all changes made to the business registrations of the Project Company to reflect the completion of the Proposed Acquisition.
- (b) SOHO Shanghai shall pay an amount of RMB254,800,000 to Hua Li upon obtaining an official receipt issued by Sheng Da for the full amount of the consideration for the Target Shares under the Original Sale and Purchase Agreement. Of this amount, RMB249,478,855 will be used to set off against the same amount payable by Hua Li to the Project Company.
- (c) Within two business days after the closing date, SOHO Shanghai shall pay an amount of RMB50,000,000 to an account jointly controlled by SOHO Shanghai and Hua Li. Such amount shall be paid to Hua Li's designated account after 14 months (or such other time agreed by SOHO Shanghai and Hua Li) from the closing date.

The remaining balance of RMB200,000,000 shall be paid after 14 months from the date of deposit of RMB50,000,000 into the jointly controlled account.

Management of the
Project Company:

SOHO Shanghai shall appoint one director and Hua Li shall appoint two directors, one of them shall be the chairman and the legal representative of the Project Company. The duties of the board and board meeting procedures shall be governed by the amended articles of association for the Project Company.

SOHO Shanghai shall have responsibility for the daily management of the Project Company and the Project. It shall nominate the general manager and the finance manager for the Project Company. The general manager nominated by SOHO Shanghai shall not be removed without the unanimous approval of the board of directors of the Project Company.

Naming right:

Hua Li agreed that SOHO Shanghai shall have the naming right in relation to the Project.

The Proposed Acquisition and the Cooperative Framework Agreement are subject to majority shareholders approval of Hua Li in its extraordinary shareholders meeting to be held on 27 October 2010. The Company does not contemplate any failure by Hua Li to obtain such majority shareholders approval. In the event Hua Li fails to obtain such majority shareholders approval, a further announcement will be made by the Company.

Besides, SOHO Shanghai plans to commence further discussion with Hua Li as to the acquisition of the remaining 51.5239% equity interest in the Project Company from Hua Li at the same consideration calculated under the Cooperative Framework Agreement after completion of the Proposed Acquisition. Further announcement in respect of the Possible Acquisition will be made, if necessary, in compliance with the Listing Rules.

INFORMATION ON THE PROJECT

The Project is for commercial and office use. It has a total site area of 20,084 m², with a total planned gross floor area of approximately 137,442 m², including 72,467 m² above ground office and commercial area and 64,975 m² underground commercial area and auxiliary car parks.

REASONS FOR THE PROPOSED ACQUISITION

The Project is situated in the centre of the Huai Hai Road commercial district with direct access to subway line 10 and subway line 13 (under construction). It is situated right next to Huai Hai Road Central, the most vibrant and cosmopolitan commercial street in Shanghai, and Shanghai Xintiandi that has the most lively commercial atmosphere. The Proposed Acquisition is in line with the Group's core strategy of developing high-end commercial properties in prime locations in Beijing and Shanghai. It is the fourth acquisition that the Group made since its first successful entry into Shanghai represented by the acquisition of The Exchange SOHO in August 2009. Following the completion of the Proposed Acquisition, the Group will establish its foothold in four most vibrant and easily accessible prime commercial districts in Shanghai, namely Nan Jing Road West, the Bund, Hongqiao transportation hub and Huai Hai Road Central.

The Directors further consider that the terms of the Cooperative Framework Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“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

“Cooperative Framework Agreement”	the cooperative framework agreement dated 12 October 2010 entered into between Hua Li and SOHO Shanghai in relation to, among others, the proposed acquisition of 48.4761% equity interest in the Project Company
“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
“Hua Li”	Hua Li Family Stock Co., Ltd.* (華麗家族股份有限公司), a company established in Shanghai with limited liability and whose shares are listed on the Shanghai Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“m ² ”	square meter
“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
“Project”	the Fu Xing Tian Di Centre Project (復興天地中心項目), that is located at land lot No. 43, Lu Wan District, Shanghai, the PRC for commercial and office use
“Project Company”	Shanghai Hong Sheng Real Estate Development Co., Ltd.* (上海弘聖房地產開發有限公司)
“Proposed Acquisition”	the proposed acquisition of 48.4761% equity interest in the Project Company from Sheng Da pursuant to the Cooperative Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shareholder(s)”	shareholder(s) of the Company

“Sheng Da”	Shanghai Sheng Da Real Estate Development Co., Ltd.* (上海盛大房地產開發有限公司)
“SOHO Shanghai”	SOHO (Shanghai) Investment Co., Ltd.* (搜候(上海)投資有限公司), a company established in Shanghai with limited liability 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
“Target Shares”	the 48.4761% equity interest in the Project Company held by Sheng Da
“%”	per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

* *For identification purpose only*

Beijing, the PRC, 14 October 2010

As at the date of this announcement, the executive directors of the Company are Mr. Pan Shiyi, Mrs. Pan Zhang Xin Marita and Ms. Yan Yan, and the independent non-executive directors of the Company are Dr. Ramin Khadem, Mr. Cha Mou Zing, Victor and Mr. Yi Xiqun.