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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 SHANGHAI CAOJIADU LAND

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The Board wishes to announce that on 31 March 2011, Redstone Newtown, a subsidiary of the Company, and JingAn Real Estate entered into the Framework Agreement, pursuant to which Redstone Newtown agrees to provide the Entrusted Loan to JingAn Real Estate for the development of the Project until the legal and regulatory conditions for the transfer of construction in progress of the Project have been fulfilled. Upon satisfaction of the conditions for the transfer of the Caojiadu Land, JingAn Real Estate agrees to transfer: (1) the land use rights to the Caojiadu Land; and (2) the construction in progress of the Project to the Project Company (to be established by the Group for development of the Project).

The Caojiadu Land is situated next to the Chang Shou Lu commercial street at the Caojiadu commercial area, JingAn District, Shanghai. Surrounded by subway lines 2, 3, 7 and 11 and with the addition of subway lines 13 and 14 in the area in the future, Caojiadu commercial area is another vibrant, popular area for offices, retail and high-end apartments in JingAn District. The Project has a site area of approximately 14,832 m² for commercial, residential and office uses. Its total planned gross floor area is about 81,000 m², including approximately 51,136 m² above ground gross floor area (of which approximately 13,946 m² is for residential use and 37,190 m² is for commercial and office uses). The planned underground gross floor area is approximately 30,000 m², including 6,000 m² commercial area and auxiliary car parks.

LISTING RULES IMPLICATIONS OF THE FRAMEWORK AGREEMENT

The entering into of the Framework Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Accordingly, the Framework Agreement is subject to the disclosure requirements under the Listing Rules.

THE FRAMEWORK AGREEMENT

The Board wishes to announce that on 31 March 2011, Redstone Newtown, a subsidiary of the Company, and JingAn Real Estate entered into the Framework Agreement.

The principal terms of the Framework Agreement are as follows:

Date: 31 March 2011

Parties: (1) Redstone Newtown, a subsidiary of the Company; and
(2) JingAn Real Estate

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

Subject matter: Pursuant to the terms of the Framework Agreement, Redstone Newtown agrees to provide the Entrusted Loan to JingAn Real Estate for the development of the Project until the legal and regulatory conditions for the transfer of construction in progress of the Project (collectively, the "Project Transfer Conditions") have been fulfilled. Upon satisfaction of the Project Transfer Conditions, JingAn Real Estate agrees to transfer: (1) the land use rights to the Caojiadu Land; and (2) the construction in progress of the Project to the Project Company. The Project Company shall then continue to develop the Project.

Consideration and payment:

The consideration for the transfer of the land use rights to the Caojiadu Land and the construction in progress of the Project from JingAn Real Estate to the Project Company is the total of: (1) the amount of RMB1,534,080,000, being the land use rights transfer price; (2) final amount for all construction fees incurred from the date of the Framework Agreement to satisfaction of the Project Transfer Conditions (the “Final Construction Amount”, estimated to be approximately RMB100,000,000 under the Framework Agreement); and (3) the sum of 5.65% of the Final Construction Amount, being the amount of the business tax payable on the Final Construction Amount. The final consideration will be stated in the agreement for the transfer of land use rights to the Caojiadu Land and construction in progress of the Project to be entered into between JingAn Real Estate and the Project Company (the “Transfer of Land Use Rights and Construction in Progress Agreement”) within three (3) Business Days after satisfaction of the Project Transfer Conditions.

Upon satisfaction of the Project Transfer Conditions, the Entrusted Loan due and payable to Redstone Newtown shall be used to set-off against the consideration payable by the Project Company to JingAn Real Estate for the transfer of the land use rights to the Caojiadu Land and the construction in progress of the Project. Upon the execution of the Transfer of Land Use Rights and Construction in Progress Agreement, the Project Company shall pay the remaining balance of the consideration to JingAn Real Estate.

Pursuant to the Framework Agreement, Redstone Newtown shall pay the Entrusted Loan of a total amount of RMB1.3 billion to the Bank in three installments. The Bank shall advance RMB1.2 billion to JingAn Real Estate and the remaining amount of RMB100,000,000 to the Jointly-Controlled Account for payment of the construction fees up to the date of satisfaction of the Project Transfer Conditions.

The above consideration was arrived at after arm’s length negotiation between Redstone Newtown and JingAn Real Estate and was determined by reference to the recent market value of comparable land nearby the Caojiadu Land.

Conditions precedent to the payment of the Entrusted Loan:

The obligations of Redstone Newtown to provide the Entrusted Loan under the Framework Agreement are subject to the satisfaction or written waiver of the following conditions on or prior to the expiry of thirty (30) days after the date of the Framework Agreement:

- (1) the Entrusted Loan Agreement have been executed and become effective; and
- (2) the mortgage created over the land use rights to the Caojiadu Land becomes effective and the Bank is the sole registered mortgagee to the land use rights to the Caojiadu Land.

If, in the absence of fault of any party, any of the condition precedents is not fulfilled within thirty (30) days after the date of the Framework Agreement, any party is entitled to unilaterally terminate the Framework Agreement. If the failure to fulfill any of the condition precedents is caused by any party, unless the non-defaulting party waives such condition, the non-defaulting party is entitled to unilaterally terminate the Framework Agreement and the defaulting party shall be liable to pay RMB20,000,000 as compensation.

INFORMATION ON THE COMPANY AND REDSTONE NEWTOWN

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, sale and operation of commercial properties in central Beijing and Shanghai.

Redstone Newtown

Redstone Newtown is a company incorporated in Beijing with limited liability and is owned 95% by the Company and 5% by Mr. Pan Shiyi as at the date of this announcement. The principal business activity of Redstone Newtown is real property development and investment management.

INFORMATION ON JINGAN REAL ESTATE

The Directors are informed that JingAn Real Estate is a company incorporated in Shanghai with limited liability. JingAn Real Estate is principally engaged in real property development.

INFORMATION ON THE CAOJIADU LAND

The Caojiadu Land is situated next to the Chang Shou Lu commercial street at the Caojiadu commercial area, JingAn District, Shanghai. Surrounded by subway lines 2, 3, 7 and 11 and with the addition of subway lines 13 and 14 in the area in the future, Caojiadu commercial area is another vibrant, popular area for offices, retail and high-end apartments in JingAn District. The Project has a site area of approximately 14,832 m² for commercial, residential and office uses. Its total planned gross floor area is about 81,000 m², including approximately 51,136 m² above ground gross floor area (of which approximately 13,946 m² is for residential use and 37,190 m² is for commercial and office uses). The planned underground gross floor area is approximately 30,000 m², including 6,000 m² commercial area and auxiliary car parks.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The acquisition of the Caojiadu Land is in line with the Group's core strategy of acquiring projects located along transportation networks in central areas. Caojiadu commercial area is an integrated commercial area situated at the converge point of JingAn District, ChangNing District and PuTuo District with great accessibility. The Caojiadu Land is located at Wanhang Du Road, which is the centre of the Caojiadu commercial area.

This is the fifth successful acquisition that the Group made in Shanghai since its first successful entry into Shanghai marked by the acquisition of The Exchange SOHO in August 2009. Following completion of the acquisition, the Group will establish its foothold in five most vibrant and easily accessible prime commercial districts in Shanghai, namely Nan Jing Road West, the Bund, Hongqiao transportation hub, Huai Hai Road Central and Chang Shou Lu.

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

LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Framework Agreement 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:

“Bank”	China Construction Bank, Shanghai JingAn branch
“Board”	the board of directors of the Company
“Business Day(s)”	any day other than Saturday, Sunday, public holiday in the PRC or any other day on which banks in the PRC are not required to open for business
“Caojiadu Land”	Lot No. 716-794 land situated at Wanhang Du Road, JingAn District, Shanghai, the PRC
“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
“Entrusted Loan”	a loan of a principal amount of RMB1.3 billion advanced by Redstone Newtown to JingAn Real Estate under the Entrusted Loan Agreement
“Entrusted Loan Agreement”	an entrusted loan agreement entered into between Redstone Newtown as lender, the Bank as entrusted bank and JingAn Real Estate as the borrower for the Entrusted Loan
“Framework Agreement”	the entrusted loan and project transfer framework agreement dated 31 March 2011 entered into between Redstone Newtown and JingAn Real Estate for the Entrusted Loan and the transfer of the land use rights to the Caojiadu Land and the construction in progress of the Project from JingAn Real Estate to the Project Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JingAn Real Estate”	Shanghai JingAn Real Estate (Group) Co., Ltd.* (上海靜安地產(集團)有限公司)

“Jointly-Controlled Account”	the bank account which is jointly controlled by Redstone Newtown and JingAn Real Estate for the sole purpose of paying the estimated total construction fees of the Project incurred from the date of the Framework Agreement to the date of satisfaction of the Project Transfer Conditions
“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 development project of the Caojiadu Land for commercial, residential and office uses
“Project Company”	a wholly-owned project company to be established by the Group in Shanghai for development of the Project
“Redstone Newtown”	Beijing Redstone Newtown Real Estate Co., Ltd.* (北京紅石新城房地產有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

* *For identification purpose only*

Beijing, the PRC, 1 April 2011

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