

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 LAND LOCATED AT SHANGHAI SUBWAY LINE 10 HAILUN ROAD STATION**

#### **THE EQUITY TRANSFER AND ASSIGNMENT OF LOANS AGREEMENT**

The Board wishes to announce that, on 13 April 2011, SOHO Shanghai, a wholly-owned subsidiary of the Company, made a successful bid for the acquisition of the entire equity interests and the right, title and interest to all shareholders' loans of the Target Company that owns the land use rights to the Land situated at Subway Line 10 Hailun Road Station in Shanghai, through a public bidding process organised and held by Zhejiang Property Exchange.

On 13 April 2011, Zhejiang Property Exchange issued the Confirmation Notice to SOHO Shanghai, pursuant to which Zhejiang Property Exchange confirmed that SOHO Shanghai is qualified to be the transferee of the entire equity interests and the right, title and interest to all shareholders' loans of the Target Company. The Confirmation Notice further required SOHO Shanghai to pay a deposit of RMB500,000,000 to Zhejiang Property Exchange within three (3) business days of the Confirmation Notice. SOHO Shanghai paid the deposit to Zhejiang Property Exchange on 15 April 2011.

On 19 April 2011, SOHO Shanghai entered into the Equity Transfer and Assignment of Loans Agreement with Hangzhou Ziyuan and Shanghai Jialian for the purchase of the entire equity interests of the Target Company for a consideration of RMB524,521,100 and the assignment of all the right, title and interest to all the shareholders' loans of the Target Company for a consideration of RMB1,945,478,948.03.

The Land is located at Subway Line 10 Hailun Road Station in Hongkou District, Shanghai, the PRC. Situated in the centre of Hongkou District, it is in close proximity to the Sichuan North Road business district and is only 2.5 kilometer from the city center The People's Square, six minutes away from Lujiazui Pudong and the Bund. It is the converge point for Subway Line 10 and Subway Line 4. Subway Line 10, which is renowned as Shanghai's underground "Golden Corridor", runs through the city centre and the city's major business districts. Subway Line 4 is the circle subway line in the city centre that connects Puxi and Pudong.

The Land is of an area of 28,103.3 square metres for retail and office uses. Its total planned gross floor area is approximately 152,032 square meters, including approximately 112,132 square meters above ground offices and retail area and approximately 39,900 square meters underground retail area and auxiliary car parks.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios exceed 5% but are less than 25%, the transaction contemplated under the Equity Transfer and Assignment of Loans Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

### **BACKGROUND**

On 13 April 2011, SOHO Shanghai, a wholly-owned subsidiary of the Company, made a successful bid for the acquisition of the entire equity interests and the right, title and interest to all shareholders' loans of the Target Company, which owns the land use rights to the Land, through a public bidding process organised and held by Zhejiang Property Exchange.

On 13 April 2011, Zhejiang Property Exchange issued the Confirmation Notice to SOHO Shanghai, pursuant to which Zhejiang Property Exchange confirmed that SOHO Shanghai is qualified to be the transferee of the entire equity interests and the right, title and interest to all shareholders' loans of the Target Company. The Confirmation Notice further required SOHO Shanghai to pay a deposit of RMB500,000,000 to the Zhejiang Property Exchange within three (3) business days of the Confirmation Notice. SOHO Shanghai paid the deposit to Zhejiang Property Exchange on 15 April 2011.

On 19 April 2011, SOHO Shanghai entered into the Equity Transfer and Assignment of Loans Agreement with Hangzhou Ziyuan and Shanghai Jialian for the purchase of the entire equity interests and the right, title and interest to all the shareholders' loans of the Target Company.

## THE EQUITY TRANSFER AND ASSIGNMENT OF LOANS AGREEMENT

The principal terms of the Equity Transfer and Assignment of Loans Agreement are as follows:

**Date:** 19 April 2011

**Parties:** (1) Hangzhou Ziyuan and Shanghai Jialian, as sellers  
(2) SOHO Shanghai, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Hangzhou Ziyuan and Shanghai Jialian and their respective ultimate beneficial owners, respectively, is a third party independent of the Company and its connected persons.

**Subject matter:** Pursuant to the terms of the Equity Transfer and Assignment of Loans Agreement, SOHO Shanghai, as purchaser, agreed to purchase 80% of the equity interests and the right, title and interest to 80% of the shareholders' loans of the Target Company from Hangzhou Ziyuan, and 20% of the equity interests and the right, title and interest to 20% of the shareholders' loans of the Target Company from Shanghai Jialian, and each of Hangzhou Ziyuan and Shanghai Jialian, as sellers, agreed to sell their respective proportions of the equity interests and the right, title and interest to shareholders' loans of the Target Company to SOHO Shanghai.

**Consideration:** The consideration for the entire equity interests of the Target Company is RMB524,521,100 and the consideration for the assignment of all shareholders' loans of the Target Company is RMB1,945,478,948.03, each of which is payable by SOHO Shanghai to Hangzhou Ziyuan and Shanghai Jialian in proportion to their respective proportions of the equity interests and the right, title and interest to all shareholders' loans of the Target Company.

The above consideration was arrived at after arm's length negotiation between SOHO Shanghai as purchaser, and Hangzhou Ziyuan and Shanghai Jialian as sellers, and was determined by reference to the recent market value of comparable parcels of land in Shanghai. The consideration will be paid from the internal funds of SOHO Shanghai.

Within three (3) business days of the execution of the Equity Transfer and Assignment of Loans Agreement, SOHO Shanghai shall pay the consideration to Zhejiang Property Exchange.

The deposit of RMB500,000,000, paid on 15 April 2011 by SOHO Shanghai to Zhejiang Property Exchange pursuant to the terms of the Confirmation Notice, shall be applied towards payment of the consideration, after deduction of all transactional costs and expenses. The full amount of the consideration will be paid by SOHO Shanghai on or prior to 22 April 2011.

**Registration of the transfer of the entire equity interests of the Target Company:**

Each of the parties shall procure registration of the transfer of the entire equity interests of the Target Company to be made at the relevant PRC authorities within ten (10) business days from the date of execution of the Equity Transfer and Assignment of Loans Agreement, and to obtain an updated business licence for the Target Company.

## **INFORMATION ON THE COMPANY AND SOHO SHANGHAI**

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

### **SOHO Shanghai**

SOHO Shanghai is a company established in Shanghai, the PRC, with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement. The principal business activity of SOHO Shanghai is real property development and investment management.

## **INFORMATION ON ZHEJIANG PROPERTY EXCHANGE**

The Directors are informed that Zhejiang Property Exchange is an entity responsible for organising and holding the public bidding for the acquisition of the entire equity interests of the Target Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Zhejiang Property Exchange, whose principal business is to provide services for equity transactions of unlisted joint-stock companies and reformation of provincial government owned enterprises and other companies, and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability in 2009. It has a registered capital of RMB101,450,000, of which RMB81,160,000 was contributed by Hangzhou Ziyuan and RMB20,290,000 was contributed by Shanghai Jialian prior to the acquisition of the entire equity interests of the Target Company by SOHO Shanghai. Its scope of business includes property investment management and consultancy services, corporate management consultancy services, exhibition business services, corporate image planning, property management, communication preparation, calculation and network communication, “four technologies” system integration expertise services, various types of advertisement design and production, services in relation to self-owned media release advertising, assignment of labour for Chinese entities, importing and exporting of stock and technology services, and property development and operations.

## **FINANCIAL INFORMATION ON THE TARGET COMPANY**

The audited net loss both before and after taxation and extraordinary items of the Target Company for the period commencing from 28 December 2009 (being the date of incorporation) and ending on 31 December 2010 were approximately RMB5,000,000 and RMB3,800,000, respectively, based on the PRC accounting standards.

The net asset value of the Target Company as at 31 December 2010 was approximately RMB97,600,000.

The net book value of the Land as at 31 December 2010 was approximately RMB2,000,000,000.

As at the date of execution of the Equity Transfer and Assignment of Loans Agreement, RMB1,945,478,948.03 remains outstanding under the shareholders’ loans of the Target Company.

## **INFORMATION ON HANGZHOU ZIYUAN**

Hangzhou Ziyuan is a company established in the PRC with limited liability and a wholly-owned subsidiary of a state-owned enterprise. It held 80% of the Target Company prior to the acquisition of the entire equity interests of the Target Company by SOHO Shanghai. The principal business of Hangzhou Ziyuan is development of real estate and investment management.

## **INFORMATION ON SHANGHAI JIALIAN**

Shanghai Jialian is a company established in the PRC with limited liability and held 20% of the Target Company prior to the acquisition of the entire equity interests of the Target Company by SOHO Shanghai. The principal business of Shanghai Jialian is development of real estate and investment management.

## **INFORMATION ON THE LAND**

The Land is located at Subway Line 10 Hailun Road Station in Hongkou District, Shanghai, the PRC. Situated in the centre of Hongkou District, it is in close proximity to the Sichuan North Road business district and is only 2.5 kilometer from the city center The People's Square, six minutes away from Lujiazui Pudong and the Bund. It is the converge point for Subway Line 10 and Subway Line 4. Subway Line 10, which is renowned as Shanghai's underground "Golden Corridor", runs through the city centre and the city's major business districts. Subway Line 4 is the circle subway line in the city centre that connects Puxi and Pudong.

The Land is of an area of 28,103.3 square metres for retail and office uses. Its total planned gross floor area is approximately 152,032 square meters, including approximately 112,132 square meters above ground offices and retail area and approximately 39,900 square meters underground retail area and auxiliary car parks.

## **REASONS FOR ENTERING INTO THE EQUITY TRANSFER AND ASSIGNMENT OF LOANS AGREEMENT**

The acquisition of the Land is in line with the Group's core strategy of acquiring commercial property projects located at prime locations along major transportation networks in Beijing and Shanghai. This is the sixth successful acquisition that the Group made in Shanghai, less than a month after the successful acquisition of the Caojiadu land made by the Group on 1 April 2011. The Board considers the acquisition of the Land will further establish the Group's presence and the success of its unique business model in Shanghai.

The Directors further consider that the terms of the Equity Transfer and Assignment of Loans Agreement 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 Equity Transfer and Assignment of Loans 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:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"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

“Confirmation Notice”	the confirmation notice dated 13 April 2011 issued by Zhejiang Property Exchange to SOHO Shanghai in respect of the acquisition of the entire equity interests and the right, title and interest to all shareholders’ loans of the Target Company
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer and Assignment of Loans Agreement”	the equity transfer and assignment of loans agreement dated 19 April 2011 entered into between Hangzhou Ziyuan, Shanghai Jialian and SOHO Shanghai, in relation to, amongst others, the acquisition of the entire equity interests and the assignment of shareholders’ loans of the Target Company
“Group”	the Company and its subsidiaries
“Hangzhou Ziyuan”	杭州紫元教育投資有限公司 (Hangzhou Ziyuan Educational Investment Company Limited*), a company established in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a parcel of land of 28,103.3 square metres, located at Subway Line 10 Hailun Road Station, Hongkou District, Shanghai, the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Jialian”	上海嘉聯實業投資集團有限公司 (Shanghai Jialian Real Estate Investment Company Limited*), a company established in the PRC with limited liability
“SOHO Shanghai”	搜候(上海)投資有限公司 (SOHO (Shanghai) Investment Co., Ltd.), a company established in Shanghai, the PRC, 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 Company”	上海杭鋼嘉杰實業有限公司 (Shanghai Hanggang Jiajie Real Estate Company Limited*), a company established in the PRC with limited liability
“Zhejiang Property Exchange”	浙江產權交易所有限公司 (Zhejiang Property Exchange Company Limited*), an entity responsible for organising and holding the public bidding for the acquisition of the entire equity interests of the Target Company, and whose principal business is to provide services for equity transactions of unlisted joint-stock companies, and reformation of provincial government owned enterprises, and other companies
“%”	per cent

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

Beijing, the PRC, 19 April 2011

*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 and Ms. Tong Ching Mau; and the independent non-executive directors of the Company are Dr. Ramin Khadem, Mr. Cha Mou Zing Victor and Mr. Yi Xiqun.*

\* *For identification purpose only*