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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
PROPOSED ACQUISITION OF SHANGHAI
SOHO ZHONGSHAN PLAZA

PROPOSED ACQUISITION

The Board wishes to announce that on 6 May 2011, SOHO Shanghai, a wholly-owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement, pursuant to which SOHO Shanghai agreed to acquire and the Vendor agreed to sell the Target Property, office buildings A and B (including basement) of New World Changning Commercial Centre, which will be renamed SOHO Zhongshan Plaza after the Acquisition.

The Target Property is situated at Zhongshan West Road, Changning District, Shanghai. Situated at the heart of Hongqiao commercial district, it is only about 2 kilometers from Xujiahui and Zhongshan Park commercial districts, and 8 kilometers from Hongqiao Transportation Hub. The Target Property is easily accessible through an extremely convenient transportation network that is close to Songyuan Road Station on Subway Line 10 and Hongqiao Road Station on Subway Lines 3, 4 and 10, and in close proximity to the Zhongshan West Road/Inner Ring highway.

The Target Property has a site area of approximately 16,176 m² for mixed retail and office uses. It comprises two buildings with a total gross floor area of 142,184 m², including 100,199 m² office area and 12,664 m² retail area.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE ACQUISITION AGREEMENT

The Board wishes to announce that on 6 May 2011, SOHO Shanghai, a wholly-owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement, pursuant to which SOHO Shanghai agreed to acquire and the Vendor agreed to sell the Target Property. The principal terms of the Acquisition Agreement are as follows:

Date: 6 May 2011

Parties: (1) SOHO Shanghai, as purchaser
(2) Vendor

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

Consideration: The consideration payable by SOHO Shanghai for the Acquisition shall be RMB3.2 billion, which was arrived at after arm's length negotiation between SOHO Shanghai and the Vendor and was determined by reference to the recent market value of comparable properties nearby the Target Property.

Payment: The consideration shall be paid by SOHO Shanghai in four instalments. The first two instalments shall be paid to a jointly controlled bank account opened in the name of the Vendor (the "Joint Account"), each of which will be released to the Vendor subject to fulfilment of certain conditions.

- (1) SOHO Shanghai shall deposit the first instalment (being 10% of the total Consideration) to the Joint Account within six (6) business days from the date of the Acquisition Agreement. The deposit of RMB5 million previously paid by SOHO Shanghai to the Vendor shall be deemed part of the first instalment.
- (2) SOHO Shanghai shall deposit the second instalment (being 20% of the total Consideration) to the Joint Account within five (5) business days from the date when SOHO Shanghai received the written notification from the Vendor in relation to the commencement of signing the pre-sale/sales contracts. The Vendor is required to complete certain tasks before pre-sale/sales contracts can be signed, including obtaining of the pre-sales permit, arranging for the release of relevant bank mortgages on the land and construction-in-progress, and obtaining all necessary approvals from the relevant Shanghai governmental authorities.

- (3) SOHO Shanghai shall pay the third instalment (being 50% of the total Consideration) to the Vendor by way of cashier order upon Delivery.
- (4) SOHO Shanghai shall pay the final instalment (being 20% of the total Consideration and after deduction of RMB10,000,000 as warranty) to the Vendor in stages upon receipt of the first set of ownership documents in relation to each individual unit in the Target Property.

Delivery: The Vendor is obliged to serve a written notice to SOHO Shanghai informing SOHO Shanghai on the date and venue of the delivery of the Target Property within five (5) business days from the date when the first and the second instalments of the Consideration have been deposited into the Joint Account.

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 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 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 THE VENDOR

The Directors are informed that the Vendor is a company established in Shanghai with limited liability, which has developed and owns the Target Property as at the date of this announcement. The Vendor mainly engages in the business of real property development.

INFORMATION OF THE TARGET PROPERTY

The Target Property is situated at Zhongshan West Road, Changning District, Shanghai. Situated at the heart of Hongqiao commercial district, it is only about 2 kilometers from Xujiahui and Zhongshan Park commercial districts and 8 kilometers from Hongqiao Transportation Hub. The Target Property is easily accessible through an extremely convenient transportation network that is close to Songyuan Road Station on Subway Line 10 and Hongqiao Road Station on Subway Lines 3, 4 and 10, and in close proximity to the Zhongshan West Road/Inner Ring highway.

The Target Property has a site area of approximately 16,176 m² for mixed retail and office uses. It comprises two buildings with a total gross floor area of 142,184 m², including 100,199 m² office area and 12,664 m² retail area.

The carrying book value of the Target Property as at 31 December 2010 was approximately RMB2,270 million.

REASONS FOR ENTERING INTO THE ACQUISITION AGREEMENT

The acquisition of the Target Property 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. The Acquisition is the seventh acquisition that the Group made in Shanghai since its successful entry into Shanghai represented by the acquisition of The Exchange SOHO in August 2009. In less than two years, the Group has successfully established itself in the most prosperous and prime business locations situated along Shanghai's major transportation networks. The Board considers the Acquisition will not only strengthen the Group's continued presence in major business districts in Shanghai, but also re-affirms the success of its unique business model in the Shanghai commercial property market.

The Directors believe that the terms of the Acquisition Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of 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 Acquisition 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:

“Acquisition”	the acquisition of the Target Property from the Vendor by SOHO Shanghai
“Acquisition Agreement”	the acquisition agreement dated 6 May 2011 entered into between SOHO Shanghai and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Company”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange

“Consideration”	the consideration in relation to the Acquisition, as more particularly set out in the paragraph headed “The Acquisition Agreement” in this announcement
“Delivery”	the delivery of the Target Property by the Vendor to SOHO Shanghai, as more particularly set out in the paragraph headed “The Acquisition Agreement” in this announcement
“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
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“m ² ”	square metre(s)
“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
“Shareholder(s)”	shareholder(s) of the Company
“SOHO Shanghai”	搜候(上海)投資有限公司 (SOHO (Shanghai) Investment Co., Ltd.), 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 Property”	office buildings A and B (including basement) of New World Changning Commercial Centre* (新世界長寧商業中心) located at Zhongshan West Road, Changning District, Shanghai, with a site area of approximately 16,176 m ² for mixed retail and office uses and a total gross floor area of 142,184 m ² , together with its land use rights

“Vendor”

上海三聯物業發展有限公司(Shanghai Trio Property Development Co., Ltd.*), a company established in Shanghai with limited liability which has developed and owns the Target Property as at the date of this announcement

“%”

per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 6 May 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.

* *For identification purpose only*