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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 SOHO CENTURY AVENUE
IN PUDONG SHANGHAI**

PROPOSED ACQUISITION

The Board wishes to announce that on 5 August 2011, the Vendor as vendor and SOHO Shanghai, a wholly-owned subsidiary of the Company, as purchaser entered into the Acquisition Agreement, pursuant to which the Vendor has agreed to sell, and SOHO Shanghai has agreed to acquire, the Target Property in Jia Rui International Plaza, which will be renamed “SOHO Century Avenue” upon completion of the Acquisition.

The Target Property is situated at the Century Avenue in Pudong District, Shanghai. Situated at Pudong’s Zhu Yuan business district, it is close to the Lujiazui financial district and only three kilometers away from Jin Mao Tower and Oriental Pearl TV Tower. The Target Property is easily accessible through convenient subway networks and road systems. It is within five minutes walking distance to Pudian Road Station on Subway Line 4 and within eight minutes walking distance to Century Avenue Station, the interchange station for Subway Lines 2, 4, 6 and 9. Century Avenue Station is currently the largest subway transportation hub in China.

The Target Property comprises the entire building of SOHO Century Avenue (including basement but excluding 24th floor and 40 carparks in the basement) with a total saleable GFA of approximately 42,972 m², including approximately 42,540 m² above ground GFA for office use and approximately 432 m² above ground GFA for retail use.

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 5 August 2011, the Vendor as vendor and SOHO Shanghai, a wholly-owned subsidiary of the Company, as purchaser entered into the Acquisition Agreement, pursuant to which the Vendor agreed to sell, and SOHO Shanghai agreed to acquire, the Target Property. The principal terms of the Acquisition Agreement are as follows:

Date: 5 August 2011

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

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 RMB1,890,381,205, subject to proportional adjustment if the estimated total saleable GFA of the Target Property differs from the actual total saleable GFA. The Consideration 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 six instalments in the following manner:

Stage 1: SOHO Shanghai shall deposit the first instalment (being RMB330,000,000) into an account opened in its name with the China Agricultural Bank on the day following completion of the signing of the pre-sale contracts for all units comprised in the Target Property, for the purpose of repaying, on behalf of the Vendor, loans in the aggregate principal amount of RMB300,000,000 together with interest thereon.

Stage 2: SOHO Shanghai shall pay the second instalment (being RMB804,228,723) to the Vendor within five (5) business days after completion of the signing of the pre-sale contracts and the receipt of the notice of registration issued by the relevant real estate trading centre.

Stage 3: SOHO Shanghai shall pay the third instalment (being RMB283,557,181) to the Vendor (i) within five (5) business days after delivery of the Target Property or (ii) on 31 July 2012, whichever is earlier.

Stage 4: SOHO Shanghai shall pay the fourth instalment (being RMB189,038,121) to the Vendor within five (5) business days upon receipt by SOHO Shanghai of a copy of the property rights certificate in relation to the entire building of SOHO Century Avenue issued by the relevant property administration authority.

Stage 5: SOHO Shanghai shall pay the fifth instalment (being RMB278,557,180) to the Vendor within five (5) business days upon receipt of the property rights certificates in relation to each individual unit of the Target Property issued in the name of SOHO Shanghai.

Stage 6: The balance of the Consideration of RMB5,000,000 shall be treated as warranty for maintenance of the Target Property, which shall be paid by SOHO Shanghai to the Vendor (after deduction of the repair and maintenance expenses (if any) in relation to the Target Property paid by SOHO Shanghai) within five (5) business days after the expiry of two (2) years from the date of actual delivery of the Target Property.

The Vendor and SOHO Shanghai agreed that adjustment of the Consideration based on actual total saleable GFA of the Target Property shall be made during payment of the fifth instalment of the Consideration.

Conditions:

Delivery of the Target Property by the Vendor to SOHO Shanghai is conditional upon, among other things, the following:

- (1) the receipt of the actual saleable area report;
- (2) the completion of the construction of the Target Property and the receipt of the certificate of final acceptance registration;
- (3) the change of the property manager of the Target Property to the property management company designated by SOHO Shanghai;

- (4) there is no encumbrance on the Target Property; and
- (5) the conditions of the Target Property comply with the delivery standards as stated in the Acquisition Agreement.

The Vendor is obliged to procure the satisfaction of the above conditions before 31 July 2012. Pursuant to the terms of the Acquisition Agreement, none of the Vendor and SOHO Shanghai is entitled to waive any of the above conditions.

Termination:

The Acquisition Agreement may be terminated:

- (1) by a party upon material breach by the other party of certain terms of the Acquisition Agreement;
- (2) by either party if signing of the pre-sale contracts for the Target Property cannot take place within 90 days from the date of the Acquisition Agreement for reasons not attributable to the default of any party;
- (3) by agreement between the Vendor and SOHO Shanghai; and
- (4) by SOHO Shanghai unilaterally if a claim against the Vendor commenced in the PRC, which as at the date of this announcement is still under review by the relevant courts in the PRC, would result in the Vendor being unable to deliver the Target Property to SOHO Shanghai under the circumstances as described in the Acquisition Agreement.

Right of first refusal:

Under the Acquisition Agreement, the Vendor has granted SOHO Shanghai at nil consideration a right of first refusal to acquire any part of SOHO Century Avenue that is not sold to SOHO Shanghai under the Acquisition Agreement on the same terms and conditions offered by a potential buyer, should the Vendor intend to sell any such part.

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 activities of the Group is 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 the Century Avenue in Pudong District, Shanghai. Situated at Pudong's Zhu Yuan business district, it is close to the Lujiazui financial district and only three kilometers away from Jin Mao Tower and Oriental Pearl TV Tower. The Target Property is easily accessible through convenient subway networks and road systems. It is within five minutes walking distance to Pudian Road Station on Subway Line 4 and within eight minutes walking distance to Century Avenue Station, the interchange station for Subway Lines 2, 4, 6 and 9. Century Avenue Station is currently the largest subway transportation hub in China.

The Target Property comprises the entire building of SOHO Century Avenue (including basement but excluding 24th floor and 40 carparks in the basement) with a total saleable GFA of approximately 42,972 m², including approximately 42,540 m² above ground GFA for office use and approximately 432 m² above ground GFA for retail use.

The net asset value of the Target Property as at 31 December 2010 was approximately RMB690,000,000.

REASONS FOR ENTERING INTO THE ACQUISITION AGREEMENT

The Acquisition 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 ninth acquisition that the Group made in Shanghai and its first acquisition in Pudong district.

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 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 5 August 2011 entered into between the Vendor as vendor and SOHO Shanghai as purchaser 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 total consideration for the Acquisition payable by SOHO Shanghai to the Vendor, as more particularly set out in the section headed “The Acquisition Agreement” in this announcement
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	collectively, 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 People’s Republic of China 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”	the office building (including basement but excluding 24th floor and 40 carparks in the basement) of Jia Rui International Plaza* (嘉瑞國際廣場), which will be renamed “SOHO CENTURY AVENUE” upon completion of the Acquisition, located at No. 288, Xiang Cheng Road, Pudong District, Shanghai, with a total saleable GFA of approximately 42,972 m ² , together with its land use rights
“Vendor”	上海龍倉置業有限公司 (Shanghai Long Cang Real Estate 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, 9 August 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