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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 AND CONNECTED TRANSACTION
PROPOSED ACQUISITION OF THE REMAINING INTEREST IN
SOHO FUXING PLAZA PROJECT**

PROPOSED ACQUISITION

The Board wishes to announce that on 28 March 2012, Hua Li, a company established in Shanghai and whose shares are listed on the Shanghai Stock Exchange, as vendor and SOHO Shanghai, a wholly-owned subsidiary of the Company, as purchaser entered into the Third Equity Transfer Agreement, pursuant to which SOHO Shanghai has agreed to purchase, and Hua Li has agreed to sell, the remaining 20% equity interest in the Project Company.

As at the date of this announcement, SOHO Shanghai is interested in 80% equity interest in the Project Company. The entering into of the Third Equity Transfer Agreement is for the full materialisation of the intention to acquire the entire equity interest in the Project Company as expressed by the Company in the Announcements.

LISTING RULES IMPLICATIONS

References are made to the Announcements in relation to the acquisition of 48.4761% and 31.5239% equity interest in the Project Company on 12 October 2010 and 15 March 2011, respectively. These prior acquisitions were completed on 28 October 2010 and 28 March 2011, respectively. The prior acquisitions of 48.4761% and 31.5239% equity interest in the Project Company and the Equity Transfer form a series of transactions which should be treated as if they were one transaction under Rules 14.22 and 14A.25 of the Listing Rules.

Upon aggregation, the applicable percentage ratios exceed 5% but are less than 25%. The transactions contemplated under the Third Equity Transfer Agreement constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

In addition, as at the date of this announcement, Hua Li is interested in 20% equity interest in the Project Company which is a subsidiary of the Company. As such, Hua Li is regarded as a connected person of the Company. Since the applicable percentage ratios exceed 5% and the total consideration exceeds HK\$10,000,000, the transactions contemplated under the Third Equity Transfer Agreement constitute a non-exempt connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules.

INDEPENDENT SHAREHOLDERS APPROVAL

The entering into of the Third Equity Transfer Agreement is subject to the approval of the Independent Shareholders.

The Directors are of the view that Boyce Limited and Capevale (BVI) are a closely allied group of Shareholders satisfying all the factors described in Rule 14.45 of the Listing Rules and therefore pursuant to Rule 14A.43(2) of the Listing Rules, a waiver from the strict compliance with Rule 14A.18 of the Listing Rules to convene a general meeting of the Company for approving the Equity Transfer may be sought from the Stock Exchange. In this regard, the Company has obtained a written shareholder's approval from each of Boyce Limited and Capevale (BVI), which collectively are interested in approximately 64.06% of the total issued share capital of the Company, for the Equity Transfer in lieu of holding a general meeting of the Company pursuant to Rule 14A.43 of the Listing Rules. A waiver application will be made by the Company to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules in relation to the Equity Transfer.

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Equity Transfer. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer. A circular containing, among other things, (a) further details on the Third Equity Transfer Agreement; (b) a letter from the Independent Board Committee containing its recommendation; and (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is expected to be despatched to the Shareholders on or before 24 April 2012 in compliance with the Listing Rules.

THE THIRD EQUITY TRANSFER AGREEMENT

The Board wishes to announce that on 28 March 2012, Hua Li, a company established in Shanghai and whose shares are listed on the Shanghai Stock Exchange, as vendor and SOHO Shanghai, a wholly-owned subsidiary of the Company, as purchaser entered into the Third Equity Transfer Agreement, pursuant to which SOHO Shanghai has agreed to purchase, and Hua Li has agreed to sell, the remaining 20% equity interest in the Project Company. The principal terms of the Third Equity Transfer Agreement are as follows:

Date: 28 March 2012

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

Consideration and payment: The consideration payable by SOHO Shanghai for the Equity Transfer shall be RMB500,000,000, which shall be paid in cash within two working days from the date on which the relevant filing and registration procedures in relation to the Equity Transfer with the relevant Administration for Industry and Commerce have been completed.

The Directors are informed that the original cost for Hua Li to acquire its equity interest in the Project Company was RMB898,260,000.

The above consideration was arrived at after arm's length negotiation between SOHO Shanghai and Hua Li and was determined by reference to the market value of comparable land nearby the SOHO Fuxing Plaza Project.

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 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 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 HUA LI

The Directors are informed that Hua Li is a company established in Shanghai with limited liability whose shares are listed on the Shanghai Stock Exchange. The principal business activity of Hua Li is development, sale, leasing and management of real property, and investment management.

INFORMATION ON THE PROJECT COMPANY

The Project Company is a company established in Shanghai with a registered capital of RMB840,000,000. As at the date of this announcement, the Project Company is owned as to 80% by SOHO Shanghai and 20% by Hua Li.

Financial information of the Project Company

The audited net loss both before and after taxation and extraordinary items of the Project Company for the financial year ended 31 December 2010 were approximately RMB97,962.65 and RMB104,553.07, respectively, based on the PRC accounting standards.

The unaudited net loss both before and after taxation and extraordinary items of the Project Company for the financial year ended 31 December 2011 were approximately RMB732,667 and RMB753,301, respectively, based on the PRC accounting standards.

The unaudited net asset value of the Project Company as at 31 December 2011 was approximately RMB835,791,475.

Upon completion of the Equity Transfer, the Project Company will be an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE SOHO FUXING PLAZA PROJECT

The SOHO Fuxing Plaza Project (formerly known as Fuxinglu SOHO Project) is situated at Huai Hai Road Central, the most vibrant and cosmopolitan commercial street in Shanghai with direct access to subway line 10 and subway line 13 (under construction). It is right next to Shanghai Xintiandi that has the most lively commercial atmosphere. The land is for commercial and office uses, with a total planned gross floor area of approximately 137,000 square meters.

REASONS FOR ENTERING INTO THE THIRD EQUITY TRANSFER AGREEMENT

References are made to the Announcements in which the Company had expressed its intention to acquire the entire equity interest in the Project Company which owns the SOHO Fuxing Plaza Project at the same consideration calculated under the Cooperative Framework Agreement. As at the date of this announcement, SOHO Shanghai is interested in 80% equity interest in the Project Company. The entering into of the Third Equity Transfer Agreement is for the full materialisation of such intention to acquire the entire equity interest in the Project Company as expressed by the Company in the Announcements.

The Directors (excluding the independent non-executive Directors, whose views will be set out in the letter from the Independent Board Committee to be contained in the circular to be issued by the Company in relation to the Equity Transfer) further consider that the terms of the Third Equity Transfer Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

References are made to the Announcements in relation to the acquisition of 48.4761% and 31.5239% equity interest in the Project Company on 12 October 2010 and 15 March 2011, respectively. These prior acquisitions were completed on 28 October 2010 and 28 March 2011, respectively. The prior acquisitions of 48.4761% and 31.5239% equity interest in the Project Company and the Equity Transfer form a series of transactions which should be treated as if they were one transaction under Rules 14.22 and 14A.25 of the Listing Rules.

Upon aggregation, the applicable percentage ratios exceed 5% but are less than 25%. The transactions contemplated under the Third Equity Transfer Agreement constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

In addition, as at the date of this announcement, Hua Li is interested in 20% equity interest in the Project Company which is a subsidiary of the Company. As such, Hua Li is regarded as a connected person of the Company. Since the applicable percentage ratios exceed 5% and the total consideration exceeds HK\$10,000,000, the transactions contemplated under the Third Equity Transfer Agreement constitute a non-exempt connected transaction for the Company under Rule 14A.13(1)(a) of the Listing Rules.

Accordingly, the Equity Transfer is subject to (a) the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (b) the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT SHAREHOLDERS APPROVAL

The entering into of the Third Equity Transfer Agreement is subject to the approval of the Independent Shareholders.

Pursuant to Rule 14A.43(2) of the Listing Rules, a waiver from the strict compliance with Rule 14A.18 of the Listing Rules to convene a general meeting of the Company for approving the Equity Transfer may be sought from the Stock Exchange if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Equity Transfer; and (b) the written Independent Shareholders' approval has been obtained from a closely allied group of Shareholders who together hold more than 50% in nominal value of the Shares giving the right to attend and vote at the general meeting to approve the Equity Transfer.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting at a general meeting of the Company to approve the Equity Transfer. In addition, each of Boyce Limited and Capevale (BVI) is interested in approximately 32.03% of the total issued share capital of the Company. Boyce Limited and Capevale (BVI) are wholly-owned subsidiaries of Capevale (Cayman). HSBC International Trustee Limited (in its capacity as the trustee of the Trust) is the legal owner of the entire issued share capital of Capevale (Cayman). The Directors are of the view that Boyce Limited and Capevale (BVI) are a closely allied group of Shareholders satisfying all the factors described in Rule 14.45 of the Listing Rules because of such relationship. Therefore, the Company has obtained a written shareholder's approval from each of Boyce Limited and Capevale (BVI), which collectively are interested in approximately 64.06% of the total issued share capital of the Company, for the Equity Transfer in lieu of holding a general meeting of the Company pursuant to Rule 14A.43 of the Listing Rules.

A waiver application will be made by the Company to the Stock Exchange pursuant to Rule 14A.43 of the Listing Rules in relation to the Equity Transfer.

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Equity Transfer. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer. A circular containing, among other things, (a) further details on the Third Equity Transfer Agreement; (b) a letter from the Independent Board Committee containing its recommendation; and (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is expected to be despatched to the Shareholders on or before 24 April 2012 in compliance with the Listing Rules.

DEFINITIONS

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

“Announcements”	the announcements published by the Company on 14 October 2010 and 15 March 2011 in relation to the execution of the Cooperative Framework Agreement and the Second Equity Transfer Agreement by SOHO Shanghai and Hua Li for the acquisition of 48.4761% and 31.5239% equity interest in the Project Company, respectively
“Board”	the board of Directors
“Capevale (BVI)”	Capevale Limited, a company incorporated under the laws of the British Virgin Islands
“Capevale (Cayman)”	Capevale Limited, a company incorporated under the laws of the Cayman Islands
“Company”	SOHO China Limited (SOHO 中國有限公司), 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 SOHO Shanghai and Hua Li in relation to, among others, the acquisition of 48.4761% equity interest in the Project Company
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the equity transfer of 20% equity interest in the Project Company from Hua Li to SOHO Shanghai pursuant to the Third Equity Transfer Agreement
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hua Li”	華麗家族股份有限公司 (Hua Li Family Stock Co., Ltd.*), a company established in Shanghai with limited liability and whose shares are listed on the Shanghai Stock Exchange

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely, Dr. Ramin Khadem, Mr. Cha Mou Zing, Victor and Mr. Yi Xiqun
“Independent Financial Adviser”	Platinum Securities Company Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer
“Independent Shareholder(s)”	Shareholder(s) other than Hua Li and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Project Company”	上海弘聖房地產開發有限公司 (Shanghai Hong Sheng Real Estate Development Co., Ltd.*)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Equity Transfer Agreement”	the equity transfer agreement dated 14 March 2011 entered into between Hua Li and SOHO Shanghai in relation to, among others, the equity transfer of 31.5239% equity interest in the Project Company
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shareholder(s)”	shareholder(s) of the Company
“SOHO Fuxing Plaza Project”	formerly known as Fuxinglu SOHO Project (復興路 SOHO 項目), which is located at land lot No. 43, Huai Hai Road Central, Lu Wan District, Shanghai, the PRC for commercial and office use
“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
“Third Equity Transfer Agreement”	the equity transfer agreement dated 28 March 2012 entered into between Hua Li and SOHO Shanghai in relation to, among other things, the equity transfer of 20% equity interest in the Project Company
“Trust”	The Little Brothers Settlement constituted on 25 November 2005, of which HSBC International Trustee Limited is the trustee
“%”	per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 28 March 2012

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 purposes only*