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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 TIANSHAN ROAD PROJECT

PROPOSED ACQUISITION

The Board wishes to announce that on 17 April 2012, the Company and SOHO Shanghai, a wholly-owned subsidiary of the Company, as purchaser entered into the Framework Agreement with Greentown Holdings and the Vendors, as vendors for the acquisition of the entire equity interests in Greentown Plaza Development and all the rights and title to the Loans at an aggregate consideration of RMB2,137,720,000 (subject to adjustments, if any).

As at the date of this announcement, the registered capital of Greentown Plaza Development is RMB100,000,000 and is owned as to 70% by Greentown Real Estate and 30% by MaAnShan Development. Greentown Plaza Development is responsible for development of the Tianshan Road Project.

The Tianshan Road Project is at the most prime location of the Hongqiao Foreign Trade Center, in Changning District, Shanghai. Being the first business district for foreign enterprises in Shanghai, this area is home to over 4,400 enterprises and organisations with a high concentration of foreign enterprises (over 50% of the companies are foreign invested enterprises including many multinational companies such as Intel, GE, Samsung and Shell). In close proximity to the Tianshan Road Commercial Street, the Tianshan Road Project neighbours the inner circle and LouShanGuan Station on subway line 2. Surrounded by a lively and bustling commercial atmosphere, it is situated at the hub for office, retail and high-end residential apartments in Changning District.

The Tianshan Road Project occupies a site area of 25,594 m² with a total gross floor area of approximately 172,208 m² for office and commercial uses. It has an above ground gross floor area of approximately 106,441 m² (of which the sellable floor area is approximately 101,673 m², including 52,911 m² of office space, 37,517 m² of hotel space and 11,245 m² of commercial space) and an underground gross floor area of approximately 65,767 m² (with underground commercial space of 5,746 m²). The hotel will be managed by Hyatt upon completion. Upon completion, the Tianshan Road Project will greatly enhance the quality of office and commercial facilities in this area.

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.

THE FRAMEWORK AGREEMENT

The Board wishes to announce that on 17 April 2012, the Company and SOHO Shanghai, a wholly-owned subsidiary of the Company, as purchaser entered into the Framework Agreement with Greentown Holdings and the Vendors, as vendors for the acquisition of the entire equity interests in Greentown Plaza Development and all the rights and title to the Loans at an aggregate consideration of RMB2,137,720,000 (subject to adjustments, if any). The principal terms of the Framework Agreement are as follows:

Date: 17 April 2012

Parties:

- (1) Greentown Holdings
- (2) the Vendors, as vendors
- (3) the Company
- (4) SOHO Shanghai, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Greentown Holdings, the Vendors and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Consideration and payment: The aggregate Consideration is RMB2,137,720,000 (subject to adjustments, if any), comprising (a) RMB1,300,638,200 being the consideration for the Greentown Acquisition; (b) RMB521,871,800 being the consideration for the MaAnShan Acquisition; and (c) RMB315,210,000 being the consideration for the Assignment of Loans. The Consideration is payable in the following manner:

- (a) ***First Installment*** – RMB800,000,000, of which RMB560,000,000 being the partial consideration for the Greentown Acquisition and RMB240,000,000 being the partial consideration for the MaAnShan Acquisition.

SOHO Shanghai shall pay RMB560,000,000 and RMB240,000,000 to the Greentown Designated Account and the MaAnShan Designated Account, respectively, on the date of fulfilment of (i) the due execution of the Framework Agreement; (ii) all Conditions Precedent having been fulfilled or (where applicable) waived by SOHO Shanghai in writing; (iii) the joint control of, among other things, the company seals, corporate chops and licences of Greentown Plaza Development by Greentown Real Estate and SOHO Shanghai; (iv) the passing of a shareholders' resolutions by all the shareholders of Greentown Plaza Development in relation to the Capital Injection and the opening of the Capital Verification Account; and (v) the representations and warranties given by the Vendors under the Framework Agreement remaining valid;

- (b) ***Second Installment*** – RMB126,300,000, being the partial consideration for the Assignment of Loans.

SOHO Shanghai shall pay the Second Installment to the bank accounts as designated by the Vendors before 15 May 2012 and within two Business Days after the fulfilment of (i) Greentown Plaza Development having paid all the deed tax in relation to the grant of the Land and the obtaining of the relevant real estate ownership certificate; (ii) all procedures for the Capital Injection having been completed and the obtaining of the renewed business license of Greentown Plaza Development showing the paid-in Capital Injection from the relevant Administration for Industry and Commerce; (iii) the completion of the registration of the Equity Pledges; and (iv) the representations and warranties given by the Vendors under the Framework Agreement remaining valid; and

- (c) **Third Installment** – RMB1,211,420,000, of which RMB740,638,200 being the balance of the consideration for the Greentown Acquisition; RMB281,871,800 being the balance of the consideration for the MaAnShan Acquisition; and RMB188,910,000 being the balance of the consideration for the Assignment of Loans.

SOHO Shanghai shall pay the Third Installment to the bank accounts as designated by the Vendors within two Business Days after the fulfilment of (i) the completion of the business registration for the equity transfers in relation to the Greentown Acquisition and the MaAnShan Acquisition with the relevant Administration for Industry and Commerce; (ii) the total amount of valid financial proof or invoices and acceptable loan agreements recognised as costs before deduction of income tax of Greentown Plaza Development being not less than RMB1,871,485,000 (the “**Deductible Amount**”); (iii) the parties having procured Greentown Plaza Development to quantify its existing contractual obligations in accordance with the terms of the Framework Agreement; (iv) Completion having taken place and a confirmation in relation to Completion having been executed by SOHO Shanghai and Greentown Real Estate; (v) SOHO Shanghai and Greentown Real Estate having executed a confirmation in relation to the adjustment to Consideration; (vi) written evidence having been given by Richwise to the Company confirming that the Guarantee Money would be refunded to the Company on the date of payment of the Third Installment; and (vii) the representations and warranties given by the Vendors under the Framework Agreement remaining valid.

For the avoidance of doubt, if SOHO Shanghai agrees and waives the payment condition as set out in (ii) above, SOHO Shanghai has the right to deduct from the Third Installment an amount equivalent to the taxation effect arising from the shortfall between the Deductible Amount and the actual deductible amount.

The parties agree that, prior to the payment of the Third Installment, SOHO Shanghai and Greentown Real Estate shall, after taking into account the factors as stated in the Framework Agreement (including but not limited to the amount of outstanding deed tax in relation to the grant of the Land, the amount of working capital of Greentown Plaza Development (after deduction of the relevant current assets and current liabilities in relation to the Tianshan Road Project) as at Completion and the fulfilment by Greentown Plaza Development of certain of its contractual obligations as set out in the Framework Agreement), adjust the Consideration and execute a confirmation in relation to the adjustment to Consideration.

The Consideration was arrived at after arm's length negotiation between SOHO Shanghai and the Vendors and was determined by reference to the recent market value of comparable land nearby the Land.

Guarantee Money: Within two Business Days after the payment of the First Installment (a) the Company shall pay the Guarantee Money into a bank account opened by Richwise as designated by Greentown Real Estate as guarantee money for the Third Installment; and (b) Greentown Holdings shall execute a guarantee in favour of the Company for the refund of the Guarantee Money.

Greentown Holdings and Greentown Real Estate shall procure Richwise to refund the Guarantee Money to the Company on the day when SOHO Shanghai pays the Third Installment or the 5th Business Day after the termination of the Framework Agreement.

Conditions Precedent: Completion is subject to the fulfilment of the following conditions:

- (a) the obtaining by (i) SOHO Shanghai and Greentown Real Estate from their respective board of directors and; (ii) MaAnShan Development from its shareholders the approval of the Framework Agreement and the transactions contemplated thereunder;
- (b) the passing of a shareholders' resolutions by all the shareholders of Greentown Plaza Development in relation to, among other things, the approval of the Greentown Acquisition and the MaAnShan Acquisition and their waiver to the pre-emptive right in relation to the Greentown Acquisition and the MaAnShan Acquisition;
- (c) the completion of the registration of the First Equity Pledge; and
- (d) the representations and warranties given by the Vendors under the Framework Agreement remaining valid.

Capital Injection:

The parties agree that the registered capital of Greentown Plaza Development shall be increased from RMB100,000,000 to RMB1,550,000,000 in two stages comprising:

- (a) **First Stage Capital Injection** – RMB800,000,000, of which 70% is to be contributed by Greentown Real Estate and 30% by MaAnShan Development. Within five Business Days after the receipt of the First Installment, Greentown Real Estate and MaAnShan Development shall apply part of the money received from the First Installment to the First Stage Capital Injection. The Vendors shall procure Greentown Plaza Development to use RMB46,070,000 out of the First Stage Capital Injection to pay the deed tax in relation to the grant of the Land. The remaining RMB753,930,000 received by Greentown Plaza Development from the First Stage Capital Injection shall be used to repay part of the Shareholder's Loans. Upon receipt of the payment of the Shareholder's Loans, Greentown Real Estate shall use not less than RMB650,000,000 for the purpose of the Second Stage Capital Injection; and
- (b) **Second Stage Capital Injection** – RMB650,000,000. The Second Stage Capital Injection shall be completed before 15 May 2012, upon which Greentown Plaza Development shall repay part of the Shareholder's Loans.

Equity pledges:

- (a) Within five Business Days after the signing of the Framework Agreement, the Vendors shall pledge the entire paid up registered capital of Greentown Plaza Development as at the date of this announcement (the "**First Equity Pledge**") to SOHO Shanghai and register the pledge with the relevant Administration for Industry and Commerce.
- (b) Upon completion of the First Stage Capital Injection, the Vendors shall pledge their respective amount of capital injection in Greentown Plaza Development under the First Stage Capital Injection to SOHO Shanghai and register the pledge with the relevant Administration for Industry and Commerce.
- (c) Upon completion of the Second Stage Capital Injection, the Vendors shall pledge their respective amount of capital injection in Greentown Plaza Development under the Second Stage Capital Injection to SOHO Shanghai and register the pledge with the relevant Administration for Industry and Commerce.

Completion: Subject to the fulfilment of the Conditions Precedent, Completion shall take place on the day when the business registration for the equity transfers in relation to the Greentown Acquisition and the MaAnShan Acquisition with the relevant Administration for Industry and Commerce is completed.

Termination: The Framework Agreement may be terminated by either parties in accordance with any applicable laws or the terms of the Framework Agreement.

If Completion does not take place before 30 June 2012 for any reason not related to any party, all parties shall negotiate for other possible alternative proposals. Upon failure to reach a consensus, any party has the right to terminate the Framework Agreement by written notice.

Upon termination, the Vendors shall refund without interest all the money paid by SOHO Shanghai as Consideration (after any deduction provided in the Framework Agreement, if the reason for termination is related to SOHO Shanghai and SOHO Shanghai is responsible for such breach under the Framework Agreement) within three Business Days. If the termination is due to the fault of the Vendors under the Framework Agreement, the Vendors shall also pay a default penalty equal to 10% of the Consideration to SOHO Shanghai.

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 GREENTOWN HOLDINGS, THE VENDORS AND GREENTOWN PLAZA DEVELOPMENT

The Directors are informed that Greentown Real Estate is a wholly foreign-owned enterprise established in the PRC and is indirectly wholly-owned by Greentown Holdings, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange. Greentown Holdings is an investment holding company and Greentown Real Estate is principally engaged in real estate development in the PRC.

The Directors are further informed that MaAnShan Development is a company established in MaAnShan City, the PRC with limited liability and is principally engaged in real estate development in the PRC.

Greentown Plaza Development is a company established in the PRC. As at the date of this announcement, the registered capital of Greentown Plaza Development is RMB100,000,000 and is owned as to 70% by Greentown Real Estate and 30% by MaAnShan Development. Greentown Plaza Development is responsible for development of the Tianshan Road Project.

Financial information of Greentown Plaza Development

The audited net loss both before and after taxation and extraordinary items of Greentown Plaza Development for the financial year ended 31 December 2010 were approximately RMB890,889.

The audited net loss both before and after taxation and extraordinary items of Greentown Plaza Development for the financial year ended 31 December 2011 were approximately RMB3,632,210.

The net asset value of Greentown Plaza Development as at 31 December 2011 was approximately RMB95,476,901.

Upon Completion, Greentown Plaza Development will be an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE TIANSHAN ROAD PROJECT

The Tianshan Road Project is at the most prime location of the Hongqiao Foreign Trade Center, in Changning District, Shanghai. Being the first business district for foreign enterprises in Shanghai, this area is home to over 4,400 enterprises and organisations with a high concentration of foreign enterprises (over 50% of the companies are foreign invested enterprises including many multinational companies such as Intel, GE, Samsung and Shell). In close proximity to the Tianshan Road Commercial Street, the Tianshan Road Project neighbours the inner circle and LouShanGuan Station on subway line 2. Surrounded by a lively and bustling commercial atmosphere, it is situated at the hub for office, retail and high-end residential apartments in Changning District.

The Tianshan Road Project occupies a site area of 25,594 m² with a total gross floor area of approximately 172,208 m² for office and commercial uses. It has an above ground gross floor area of approximately 106,441 m² (of which the sellable floor area is approximately 101,673 m², including 52,911 m² of office space, 37,517 m² of hotel space and 11,245 m² of commercial space) and an underground gross floor area of approximately 65,767 m² (with underground commercial space of 5,746 m²). The hotel will be managed by Hyatt upon completion. Upon completion, the Tianshan Road Project will greatly enhance the quality of office and commercial facilities in this area.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The Tianshan Road Project is the Company's eleventh acquisition in Shanghai since the Company entered the city in August 2009. This is also the Company's third project in Changning District. Changning District's Hongqiao Foreign Trade Center, where the Tianshan Road Project is located, is the first business district for foreign enterprises in Shanghai and a hub for office, commercial and high-end residential apartments. In close proximity to the Tianshan Road Commercial Street, the Tianshan Road Project neighbours the inner circle and LouShanGuan Station on subway line 2. The bustling commercial atmosphere in the neighbourhood meets the Group's strategic demands for acquiring high-end commercial properties in the most central locations of Beijing and Shanghai. Upon completion of the Acquisitions, the Group will have made an acquisition total of approximately RMB25.5 billion in Shanghai. The Board believes that the Acquisitions are a step towards raising the Group's profile in Shanghai's major business districts, further enhancing the Group's business model and successful development in Shanghai.

The Directors believe that the terms of the Framework 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 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:

“Acquisitions”	collectively, the Greentown Acquisition, the MaAnShan Acquisition and the Assignment of Loans
“Assignment of Loans”	the assignment of all the rights and title to the Loans to SOHO Shanghai pursuant to the terms and conditions of the Framework Agreement
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in the PRC
“Capital Injection”	collectively, the First Stage Capital Injection and the Second Stage Capital Injection
“Capital Verification Account”	a bank account jointly controlled by SOHO Shanghai and Greentown Plaza Development for verification of the Capital Injection

“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
“Completion”	completion of the Acquisitions
“Conditions Precedent”	the conditions precedent as set out in the Framework Agreement, as more particularly set out in the section headed “The Framework Agreement” in this announcement
“Consideration”	the total consideration for the Acquisitions payable by SOHO Shanghai to the Vendors, as more particularly set out in the section headed “The Framework Agreement” in this announcement
“Director(s)”	the director(s) of the Company
“Equity Pledges”	collectively, the equity pledges over the First Stage Capital Injection and the Second Stage Capital Injection granted by Greentown Real Estate and MaAnShan Development to SOHO Shanghai
“First Equity Pledge”	the equity pledge granted by Greentown Real Estate and MaAnShan Development to SOHO Shanghai over the registered capital of Greentown Plaza Development as at the date of this announcement, as more particularly set out in the section headed “The Framework Agreement” in this announcement
“First Installment”	the first installment of the Consideration
“First Stage Capital Injection”	the increase in the registered capital of Greentown Plaza Development from RMB100,000,000 to RMB900,000,000 by Greentown Real Estate and MaAnShan Development in the ratio of 7:3
“Framework Agreement”	the framework agreement dated 17 April 2012 entered into between Greentown Holdings, the Vendors, the Company and SOHO Shanghai, in relation to, among other things, the Acquisitions
“Greentown Acquisition”	the acquisition of 70% equity interests (including the First Stage Capital Injection and the Second Stage Capital Injection) in Greentown Plaza Development by SOHO Shanghai from Greentown Real Estate

“Greentown Designated Account”	a bank account jointly controlled by SOHO Shanghai and Greentown Real Estate
“Greentown Holdings”	Greentown China Holdings Limited (綠城中國控股有限公司*) (stock code: 3900), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Greentown Plaza Development”	上海綠城廣場置業有限公司 (Shanghai Greentown Plaza Development Co., Ltd.*), a company established in the PRC with limited liability and is owned as to 70% by Greentown Real Estate and 30% by MaAnShan Development as at the date of this announcement
“Greentown Real Estate”	綠城房地產集團有限公司 (Greentown Real Estate Group Co., Ltd.*), a wholly foreign-owned enterprise which was established in the PRC on 6 January 1995, and is indirectly wholly-owned by Greentown Holdings
“Group”	collectively, the Company and its subsidiaries
“Guarantee Money”	HKD1,398,000,000, being the guarantee money to be paid by the Company pursuant to the Framework Agreement
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a parcel of land located at Tianshan Road, Changning District, Shanghai, the PRC with a site area of 25,594 m ² for commercial and office uses
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the loans in an aggregate amount of RMB315,210,000 owed by Greentown Plaza Development to Greentown Real Estate (including the associated companies of Greentown Real Estate)
“m ² ”	square metre(s)
“MaAnShan Acquisition”	the acquisition of 30% equity interests (including the First Stage Capital Injection and the Second Stage Capital Injection) in Greentown Plaza Development by SOHO Shanghai from MaAnShan Development

“MaAnShan Designated Account”	a bank account jointly controlled by SOHO Shanghai and MaAnShan Development
“MaAnShan Development”	馬鞍山華龍置業發展有限公司 (MaAnShan Hualong Real Estate Development Co., Ltd.*), a company established in MaAnShan City, the PRC with limited liability
“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
“Richwise”	Richwise Holdings Limited (才智控股有限公司), a company incorporated in the British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Second Installment”	the second installment of the Consideration
“Second Stage Capital Injection”	the increase in the registered capital of Greentown Plaza Development from RMB900,000,000 to RMB1,550,000,000 by Greentown Real Estate and MaAnShan Development before 15 May 2012
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder’s Loans”	the interest-bearing shareholder’s loans in an aggregate amount of RMB1,509,790,000 owed by Greentown Plaza Development to Greentown Real Estate (including the associated companies of Greentown Real Estate). As at the date of the Framework Agreement, the total amount of outstanding interest was RMB179,190,000
“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 Installment”	the third installment of the Consideration
“Tianshan Road Project”	the development project of the Land

“Vendors” collectively, Greentown Real Estate and MaAnShan Development

“%” per cent.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 17 April 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 purpose only*