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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)

**VOLUNTARY ANNOUNCEMENT
PROPOSED FORMATION OF A COMMERCIAL PROPERTY
OPERATION AND MANAGEMENT JOINT VENTURE**

This is a voluntary announcement made by the Company.

The Board wishes to announce that on 22 May 2012, Shanghai Chang Sheng entered into a framework agreement with INSITE (a leading commercial asset management operator participated in the operation and management of nearly 30 commercial projects in the PRC) to establish a Joint Venture, INSITE SOHO, for the purpose of providing high quality commercial operation and management services to commercial projects of the Group.

Due to the rapid increase in the Group's investment property holdings, the Board considers the formation of the Joint Venture a necessary step to provide high quality commercial operation and management services to its commercial projects, which in turn will enhance the value and return of its enlarging investment properties portfolio.

This is a voluntary announcement made by SOHO China Limited (the "**Company**", together with its subsidiaries, the "**Group**").

The board (the "**Board**") of directors of the Company wishes to announce that on 22 May 2012, Shanghai Chang Sheng Investment Management Consulting Co., Ltd* (上海長昇投資管理諮詢有限公司) ("**Shanghai Chang Sheng**"), a wholly-owned subsidiary of the Company, entered into a framework agreement with INSITE Asset Management Group Limited (盈石企業管理(上海)有限公司) ("**INSITE**") in relation to the proposed formation of a joint venture (the "**Joint Venture**") in Shanghai, the People's Republic of China (the "**PRC**"). The parties agreed to cooperate for a term of 10 years unless otherwise extended by Shanghai Chang Sheng and INSITE.

Subject to the regulatory approvals, a joint venture company will be formed and named as “INSITE SOHO (Shanghai) Co., Ltd.* 盈石搜候(上海)有限公司” (“**INSITE SOHO**”). Each of Shanghai Chang Sheng and INSITE will be interested in 50% equity interest in INSITE SOHO and will each appoint two directors to the board of INSITE SOHO.

The parties agree, among others, that:

- INSITE SOHO will be principally engaged in providing commercial operation and management services to commercial projects of the Group, including the Tiananmen South (Qianmen) project as the first project undertaken by INSITE SOHO; and
- in respect of each commercial project to be managed by INSITE SOHO, INSITE SOHO and the relevant project company holding such commercial project will enter into a separate management contract with management terms to be agreed between the Company and INSITE.

INSITE is a leading commercial asset management operator participated in the operation and management of nearly 30 commercial projects in the PRC. It has participated in the operation of close to 2 million square meters of commercial space and has cooperated with over 2,000 international well-known brands and companies in its operations.

Due to the rapid increase in the Group’s investment property holdings, the Board considers the formation of the Joint Venture with a leading commercial property asset management operator a necessary step to provide high quality commercial operation and management services to its commercial projects, which in turn will enhance the value and return of the Group’s enlarging investment properties portfolio.

By order of the Board
SOHO China Limited
Pan Shiyi
Chairman

Beijing, the PRC, 22 May 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*