
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SOHO China Limited**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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 IN THE REMAINING INTEREST IN
SOHO FUXING PLAZA PROJECT**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



PLATINUM
Securities

A letter from the Board is set out on pages 4 to 9 to this circular.

A letter from the Independent Board Committee is set out on page 10 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 22 of this circular.

Capitalised terms used in this cover page have the same meanings as those defined in the section headed "Definitions" of this circular.

23 April 2012

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE.	10
LETTER FROM PLATINUM SECURITIES.	11
APPENDIX I - PROPERTY VALUATION REPORT	23
APPENDIX II - GENERAL INFORMATION	28

DEFINITIONS

In this circular, 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

DEFINITIONS

“Independent Financial Adviser” or “Platinum Securities”	Platinum Securities Company Limited, a licensed corporation under the SFO 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
“Latest Practicable Date”	19 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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 circular, 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 transfer of 31.5239% equity interest in the Project Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“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

DEFINITIONS

“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 Latest Practicable Date
“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 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
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.

* For identification purposes only

LETTER FROM THE BOARD



SOHO CHINA LIMITED

SOHO中國有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 410)

Executive Directors:

Mr. Pan Shiyi (*Chairman*)
Mrs. Pan Zhang Xin Marita (*Chief Executive Officer*)
Ms. Yan Yan
Ms. Tong Ching Mau

Independent non-executive Directors:

Dr. Ramin Khadem
Mr. Cha Mou Zing Victor
Mr. Yi Xiqun

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Corporate headquarters:

11F, Section A, Chaowai SOHO
No.6B, Chaowai Street
Chaoyang District
Beijing 100020, PRC

Principal place of business in

Hong Kong:

8th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

23 April 2012

To the Shareholders

Dear Sir or Madam,

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

1 INTRODUCTION

Reference is made to the Company's announcement dated 28 March 2012 in relation to the Equity Transfer.

The purpose of this circular is to provide you with, 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 Platinum Securities containing its advice to the Independent Board Committee and the Independent Shareholders.

LETTER FROM THE BOARD

2 THE THIRD EQUITY TRANSFER AGREEMENT

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.

As at the Latest Practicable Date, completion of the Third Equity Transfer Agreement had taken place in accordance with its terms.

3 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 was a company established in Shanghai with limited liability and was a wholly-owned subsidiary of the Company as at the Latest Practicable Date. The principal business activity of SOHO Shanghai is real property development and investment management.

LETTER FROM THE BOARD

4 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.

5 INFORMATION ON THE PROJECT COMPANY

The Project Company is a company established in Shanghai with a registered capital of RMB840,000,000. Immediately before completion of the Equity Transfer, the Project Company was 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 audited 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 audited net asset value of the Project Company as at 31 December 2011 was approximately RMB835,791,475.

Upon completion of the Equity Transfer which has taken place, the Project Company has become an indirect wholly-owned subsidiary of the Company.

6 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.

LETTER FROM THE BOARD

7 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. Immediately before completion of the Third Equity Transfer Agreement, SOHO Shanghai was 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 are set out in the letter from the Independent Board Committee on page 10 of this circular) 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.

8 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 the Third Equity Transfer Agreement, Hua Li was 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 for the purpose of the Equity Transfer. 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.

Pursuant to Rule 14A.54 of the Listing Rules, any connected person and any Shareholder and their associates with a material interest in the Equity Transfer are required to abstain from voting on the relevant resolution if the Company were to convene a general meeting. As from the date of the Third Equity Transfer Agreement and up to (and including) the Latest Practicable Date, no Shareholder was required to abstain from voting in connection with the Equity Transfer.

None of the Directors had any material interest in the Equity Transfer and none of the Directors abstained or was required to abstain from voting on the relevant Board resolution(s) passed to approve the Equity Transfer.

LETTER FROM THE BOARD

9 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 from the date of the Third Equity Transfer Agreement and up to (and including) the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was 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 has been made by the Company to the Stock Exchange and the Stock Exchange has granted the waiver pursuant to Rule 14A.43 of the Listing Rules in relation to the Equity Transfer.

10 RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been formed to advise the Independent Shareholders on whether the terms of the Third Equity Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Platinum Securities has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Equity Transfer, the Third Equity Transfer Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 10 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Equity Transfer; and (b) the letter from Platinum Securities set out on pages 11 to 22 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer, together with the principal factors and reasons considered by the Independent Financial Adviser in providing its advice.

Having taken into account the advice of the Independent Financial Adviser, the Independent Board Committee considers that the Third Equity Transfer Agreement is on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and the Equity Transfer is in the interests of the Company and the Shareholders as a whole.

11 ADDITIONAL INFORMATION

Your attention is also drawn to the additional information in respect of the Company set out in the appendices to this circular.

Yours faithfully
By order of the Board
SOHO China Limited
Pan Shiyi
Chairman



SOHO CHINA LIMITED

SOHO中國有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 410)

23 April 2012

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company to the Shareholders dated 23 April 2012 (the “Circular”) of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Third Equity Transfer Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

We wish to draw your attention to the letter from the Board and the letter from Platinum Securities as set out on pages 4 to 9 and pages 11 to 22 of the Circular, respectively.

Having taken into account the advice of the Independent Financial Adviser, we consider that the Third Equity Transfer Agreement is on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and the Equity Transfer is in the interests of the Company and the Shareholders as a whole. Since the Stock Exchange has granted the Company a waiver pursuant to Rule 14A.43 of the Listing Rules, the Company is not required to convene a general meeting of the Shareholders to approve the Third Equity Transfer Agreement and the transactions contemplated thereunder. If a general meeting were to be convened, we would recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Third Equity Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully

Independent Board Committee

Ramin Khadem
*Independent non-executive
Director*

Cha Mou Zing, Victor
*Independent non-executive
Director*

Yi Xiqun
*Independent non-executive
Director*

LETTER FROM PLATINUM SECURITIES

The following is the text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into this circular.



PLATINUM Securities Company Limited

22/F Standard Chartered Bank Building
4 Des Voeux Road Central
Hong Kong

Telephone (852) 2841 7000
Facsimile (852) 2522 2700
Website www.platinum-asia.com

23 April 2012

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

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

INTRODUCTION

We refer to the announcement of the Company dated 28 March 2012. On 23 April 2012, the Company dispatched a circular (the “Circular”) in relation to the connected transaction contemplated under the Third Equity Transfer Agreement (the “Transaction”). Details of the Transaction are contained in the letter from the Board in the Circular and the appendices to the Circular, which you should read carefully.

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Transaction is on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

We are independent from, and are not connected with the Company or any other party to the Transaction or any of their respective associates, connected persons or parties acting in concert with any of them and accordingly, are considered eligible to give independent advice to the Independent Board Committee.

We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee in relation to the Transaction. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Transaction or any of their respective associates, connected persons or parties acting in concert with any of them.

LETTER FROM PLATINUM SECURITIES

In formulating our opinion, we have relied on the information and facts supplied to us by the Company. We have reviewed, among other things: (i) the Announcements; (ii) the Third Equity Transfer Agreement; (iii) the independent valuation report dated 23 April 2012 (the “Valuation Report”) prepared by CBRE HK Limited (the “Independent Valuer”); (iv) the annual report of the Company for the financial year ended 31 December 2011 (“2011 Annual Report”); and (v) the annual reports of the Project Company for the two financial years ended 31 December 2011. We have also discussed with the management of the Company their plans and business prospects of the Group.

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Company and/or the Directors which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Company. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Transaction.

The Independent Board Committee, comprising all three independent non-executive Directors, namely Dr. Ramin Khadem, Mr. Cha Mou Zing, Victor and Mr. Yi Xiqun, has been established to advise the Independent Shareholders in relation to the Transaction. We, Platinum Securities Company Limited, have been appointed to advise the Independent Board Committee in this regard.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. Background of the Transaction

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.

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

LETTER FROM PLATINUM SECURITIES

Agreement. As at the date of the Circular, 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.

2. Reasons for and benefits of the Transaction

A. Information on the Group

The principal business activities of the Group are development, operation and sale of commercial properties in central Beijing and Shanghai.

SOHO Shanghai is a wholly-owned subsidiary of the Company. The principal business activity of SOHO Shanghai is real property development and investment management.

The Group stands out as a developer of high-profile branded commercial properties in central Beijing and Shanghai. The Group is the largest real estate developer in Beijing and has 16 projects in the city with a total gross floor area (“GFA”) of approximately 3.5 million square meters (“sq.m”) as of February 2012.

In 2009, the Group expanded into Shanghai through acquisition of The Exchange, a multi-storey office and retail complex at the Nanjing Road West commercial district in Shanghai. In October 2010, the Group expressed its intention to acquire the entire equity interest in the SOHO Fuxing Plaza Project, so as to establish its foothold in Huai Hai Road Central, the most vibrant and cosmopolitan commercial street in Shanghai. The completion of the Third Equity Transfer Agreement will allow the Group to fully materialize such intention.

To date, the Group has 11 projects in Shanghai with a total GFA of approximately 1.88 million sq.m which span across 7 most vibrant and easily accessible prime commercial districts in Shanghai, namely Nanjing Road West, Huai Hai Road Central, the Bund, Hongqiao transportation hub, Chang Shou Lu, Sichuan North Road, and Century Avenue.

B. Information on the Project Company

The Project Company is a company established in Shanghai with a registered capital of RMB840 million and owns the SOHO Fuxing Plaza Project. As at the date of the Circular, the Project Company is owned as to 80% by SOHO Shanghai and 20% by Hua Li.

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.

LETTER FROM PLATINUM SECURITIES

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

The SOHO Fuxing Plaza Project (formerly known as Fuxinglu SOHO Project) is situated at Huai Hai Road Central, Luwan district (which was merged into the Huangpu district in July 2011), a 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 a lively commercial atmosphere. The land is for commercial and office uses, with a total planned GFA of approximately 137,000 sq.m, including 72,467 sq.m above ground office and commercial area and 64,975 sq.m underground commercial area and auxiliary car parks.

We understand from the management of the Company that the SOHO Fuxing Plaza Project commenced its construction on 18 September 2009. The construction was temporarily suspended due to the Shanghai Expo and was resumed on 7 December 2010. The expected completion date of the construction is September 2013.

C. Overview of Shanghai

Shanghai, as China's leading commercial and financial centre, is the largest economy amongst China's cities and is rapidly moving towards its long-term goal of becoming an international financial, economic, trading and shipping centre by 2020. At the end of 2011, 1,048 financial institutions and 353 multinational companies have set up their regional headquarters in the city, and 334 research and development centres of overseas companies have been established. Gross Domestic Product ("GDP") of Shanghai was approximately RMB1.92 trillion in 2011. Shanghai has been particularly successful in attracting overseas investment, with USD12.6 billion of foreign direct investment ("FDI") in 2011, representing over 10.86% of total national FDI.

1. Shanghai GDP and GDP Growth

Table 1: Shanghai GDP statistics

	2007	2008	2009	2010	2011
GDP of Shanghai (RMB billion)	1,249.4	1,407.0	1,504.6	1,716.6	1,919.6
GDP growth of Shanghai	18.2%	12.6%	6.9%	14.1%	11.8%

Source: 中國統計信息網 (www.tjcn.org), *Shanghai Year Book*

LETTER FROM PLATINUM SECURITIES

As shown in Table 1 above, the GDP growth in Shanghai displayed a strong momentum over the past five years. Despite the financial crisis in 2008 which posted a strong negative impact on the global economic development and dragged the city's GDP growth from 18.2% in 2007 down to 6.9% in 2009, the GDP growth in Shanghai started to rebound in 2010 and has stayed at over 10% for both 2010 and 2011. Being a central business district in the city, Luwan district (now part of the Huangpu district since the third quarter of 2011), at which the SOHO Fuxing Plaza Project is located, will continue to benefit from the persistent economic growth in Shanghai.

Based on the relevant GDP and GDP growth figures, we consider that the SOHO Fuxing Plaza Project will continue to benefit from the positive economic prospect in Shanghai, especially in its location (the former Luwan district).

2. Shanghai grade A office

The SOHO Fuxing Plaza Project is developed for commercial and office uses. As a part of our analysis, we have reviewed the rental rate and occupancy rate trend of grade A offices in Shanghai. In addition, we have paid particular attention to the Luwan district due to the location of the SOHO Fuxing Plaza Project. We also note that the Luwan district was merged into the Huangpu district in July 2011 and that the relevant rental rate and occupancy rate data that we have reviewed for the third quarter and fourth quarter of 2011 represented the data from the enlarged Huangpu district, as illustrated in Table 2 and Table 3 below.

i) Shanghai grade A office rental rate:

Table 2: Shanghai grade A office rental rate

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Average grade A office rental rate in Shanghai (RMB/sq.m/day)	8.90	9.62	8.69	8.56	7.69	7.05	6.90	6.20
Average grade A office rental rate in Luwan district (RMB/sq.m/day)	10.24	10.88	11.25	10.30	8.75	8.25	7.96	7.23
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Average grade A office rental rate in Shanghai (RMB/sq.m/day)	6.10	6.80	7.02	7.14	7.34	7.83	8.35	8.51
Average grade A office rental rate in Luwan district (RMB/sq.m/day)	7.11	7.65	7.63	8.00	8.30	9.09	8.50*	8.84*

Note:* The figures represent the average grade A office rental rate in the enlarged Huangpu district as the Luwan district was merged into the Huangpu district in July 2011.

Source: DTZ Research Property Times quarterly report

LETTER FROM PLATINUM SECURITIES

As shown in Table 2 above, the average grade A office rental rate in Shanghai ranged from RMB6.10/sq.m/day to RMB9.62/sq.m/day during our review period between the first quarter of 2008 and the fourth quarter of 2011. Within the review period, the average grade A office rental rate in Shanghai reached its highest level at RMB9.62/sq.m/day in the second quarter of 2008. However, since most of the tenants of the grade A offices are international corporations, they tended to slow down their investment and development in China after the financial crisis in late 2008. Hence, the demand for grade A office buildings had decreased and resulted in a lower rental rate since late 2008.

Driven by the strong economic development in China as demonstrated by the positive GDP growth in Table 1 above, the rental rate of the grade A offices started to rebound after it reached the lowest level at RMB6.10 /sq.m/day in the first quarter of 2010.

Luwan district (now part of the Huangpu district since the third quarter of 2011), being the central business district of Shanghai, enjoyed a relatively higher grade A office rental rate than the Shanghai municipal average during the review period. As such, we consider that the SOHO Fuxing Plaza Project will continue to benefit from the relatively high average grade A office rental rate in its location (the former Luwan district).

ii) Shanghai grade A office occupancy rate:

Table 3: Shanghai grade A office occupancy rate

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
GFA of grade A office stock in Shanghai (million sq.m)	4.6	4.8	5.1	5.3	5.3	5.4	5.5	5.7
Average occupancy rate of grade A offices in Shanghai	95.4%	92.4%	91.2%	84.8%	83.1%	83.6%	84.8%	84.6%
Average occupancy rate of grade A offices in Luwan district	97.7%	95.6%	95.9%	95.8%	92.3%	92.2%	90.5%	90.9%
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
GFA of grade A office stock in Shanghai (million sq.m)	5.7	5.9	5.9	5.9	6.0	6.4	6.6	6.7
Average occupancy rate of grade A offices in Shanghai	86.1%	87.9%	88.7%	92.4%	90.6%	90.6%	91.6%	95.1%
Average occupancy rate of grade A offices in Luwan district	92.3%	93.9%	93.6%	97.5%	96.8%	93.8%	91.5%*	93.8%*

*Note**: The figures represent the average grade A office occupancy rate in the enlarged Huangpu district as the Luwan district was merged into the Huangpu district in July 2011.

Source: DTZ Research Property Times quarterly report

LETTER FROM PLATINUM SECURITIES

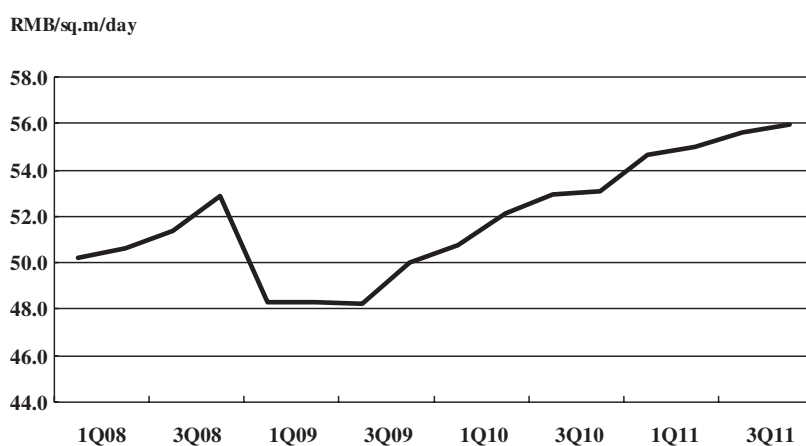
As shown in Table 3 above, the average grade A office occupancy rate during our review period performed in line with the trend we have observed in the relevant rental rates as illustrated in Table 2 due to the global financial crisis in late 2008. In addition, we note that the relevant average occupancy rate in the Luwan district was consistently above 90% and had traditionally out-performed the Shanghai municipal average except for the last two quarters of 2011 where the occupancy rate in the enlarged Huangpu district was relatively lower than the Shanghai municipal average due to the completion of a new grade A office building. However, the historical higher occupancy rate in the Luwan district (now part of the Huangpu district since the third quarter of 2011) demonstrates that the supply of grade A offices in the area is limited whereas the demand remains strong.

As such, we consider that the SOHO Fuxing Plaza Project will continue to benefit from the steady demand for grade A offices in its location (the former Luwan district).

3. Shanghai retail commercial property

As a substantial part of the SOHO Fuxing Plaza Project will be leased out for commercial use, we have also reviewed the average retail rental rate trend in the core shopping areas in Shanghai, including but not limited to the major shopping streets in the Huangpu district, namely Huai Hai Road Central (where the SOHO Fuxing Plaza Project is located in close proximity), Nanjing Road East and Nanjing Road West.

Chart 1: Average retail rental rate trend in the core shopping areas* in Shanghai



*Note**: The core shopping areas include Huai Hai Road Central, Nanjing Road East and Nanjing Road West in the Huangpu district, Lujiazui hub in the Pudong district, and Xujiahui hub in the Xuhui district.

Source: DTZ Research Property Times quarterly report

LETTER FROM PLATINUM SECURITIES

As indicated in Chart 1 above, the core shopping areas in Shanghai have enjoyed an overall upward trend except from late 2008 to mid 2009 due to the impact of the global financial crisis in late 2008. Nevertheless, the average retail rental rate had stood at above RMB48/sq.m/day throughout the review period. In addition, as stimulated by the Shanghai Expo and the global economic recovery, the retail rental rate rebounded in 2010 and continues to grow on a steady upward trend.

As such, we consider the SOHO Fuxing Plaza Project, which is located in close proximity to one of the core shopping streets in Shanghai, will continue to enjoy an upward momentum in retail rental income.

D. Reasons for the Transaction

As referred to the Announcements, the Company first entered into the Cooperative Framework Agreement with Hua Li on 12 October 2010 and acquired 48.4761% equity interest in the Project Company. On 14 March 2011, the Company entered into the Second Equity Transfer Agreement with Hua Li and further increased its equity interest in the Project Company to 80% (together, the “Relevant Transactions”).

We understand that the Company had expressed its intention to acquire from Hua Li 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. However, due to restrictions imposed on Hua Li (an A-share company whose shares are listed on the Shanghai Stock Exchange) by the PRC laws and regulations governing the disposal of major assets of an A-share company, Hua Li could only enter into agreement for sale of its 48.4761% equity interest in the Project Company in 2010, whereas the remaining 51.5239% interests would have to be transferred in two stages, being the transfer of 31.5239% and the balance of 20% equity interests in 2011 and 2012 respectively.

The entering into of the Third Equity Transfer Agreement is for the full materialisation of such intention to acquire the remaining 20% equity interest in the Project Company. In addition, the Transaction is in line with the Group’s core strategy of developing high-end commercial properties in prime locations in Beijing and Shanghai.

As such, we are of the view that although the Transaction is not entirely in the ordinary and usual course of business of the Group, the Group’s intention to hold the SOHO Fuxing Plaza Project upon completion of the Transaction as investment properties and earn rental income from the properties is squarely in line with the business strategy of the Group.

LETTER FROM PLATINUM SECURITIES

E. Principal terms of the Transaction

1. The Third Equity Transfer Agreement

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.

2. Basis of determining the consideration

As stated in the letter from the Board in the Circular, the consideration of RMB500,000,000 was determined based on arm's length negotiation between the parties with reference to the market value of comparable transactions located nearby the SOHO Fuxing Plaza Project. It represents a discount of approximately 36.3% below the effective interest of 20% of the market value of the development site of the SOHO Fuxing Plaza Project (the "Property Site") of RMB3,925,000,000 as at 29 February 2012 in the Valuation Report prepared by the Independent Valuer. We note that the Company had previously paid a consideration of RMB1,211,900,000 and RMB788,097,500 for the acquisition of 48.4761% and 31.5239% equity interests in the Project Company under the Relevant Transactions respectively. As compared to the respective effective interests of the market value of the Property Site as at 29 February 2012, such considerations paid for the Relevant Transactions also implied the same 36.3% discount.

LETTER FROM PLATINUM SECURITIES

To assess the basis in determining the consideration, we have reviewed the Valuation Report, and discussed with the Independent Valuer and the management of the Company. We have noted and discussed with the Independent Valuer that they have considered the market-based valuation approach in valuing the Property Site.

The Independent Valuer adopted the market-based valuation approach by making reference to comparable transactions as available in the relevant market and certain adjustments based on the professional judgment of the Independent Valuer through careful consideration of factors such as respective sizes, characters and locations in valuing the Property Site. The Independent Valuer has also taken into account the cost of development including but not limited to construction costs, finance costs, and also the development proposals of the Property Site.

The market value of the Property Site is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Independent Valuer advised that the market-based valuation approach is a commonly adopted and well recognized methodology in valuing properties under development.

In addition, we have also discussed with the Independent Valuer regarding the major assumptions made in valuing both the office premises and retail premises of the Property Site which were based on reference to comparable market transactions. We have reviewed the market transactions considered by the Independent Valuer. We are of the view that the market transactions are comparable to the Transaction because: (i) with regards to the office premises of the Property Site, market transactions considered by the Independent Valuer were sales transactions of similar type of property (grade A office units) within a reasonable time period (from the first quarter of 2011 to present) primarily in the enlarged Huangpu district with close proximity to the location of the Property Site; and (ii) with regards to the retail premises of the Property Site, market transactions considered by the Independent Valuer were sales transactions of similar type of property (retail units in arcade shops or shopping centres) within a reasonable time period (from the second quarter of 2011 to the fourth quarter of 2011) primarily in the enlarged Huangpu district as well. As such, we are of the view that the major assumptions made in valuing the Property Site are reasonable.

Given the valuation approach is a commonly adopted and well recognized methodology in valuing properties under development, hence the Property Site, and the major assumptions made in connection with the valuation approach are reasonable, we are of the view that the basis in determining the consideration is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

LETTER FROM PLATINUM SECURITIES

F. Financial Impacts of the Transaction

1. Effect on net asset value

As disclosed in the 2011 Annual Report, the audited net asset value attributable to shareholders of the Group as at 31 December 2011 was approximately RMB21,723 million of which the audited net asset value of the Project Company of approximately RMB836 million after deducting the minority interests has already been consolidated into the 2011 financial statements of the Group upon further acquisition made by the Group which increased its equity interest held in the Project Company to 80% in March 2011. Upon completion of the Transaction, the acquisition of the remaining 20% equity interest of the Project Company to the Group will be net off against the decrease in cash to settle the consideration. As such, we consider that the Transaction will not have an impact on the net asset value of the Group.

2. Effect on cash / working capital

As disclosed in the 2011 Annual Report, the Group had total cash and bank deposit of approximately RMB15,711 million where the consideration of RMB500 million only accounted for approximately 3.2% of the total cash and bank deposit and the Group was in a net cash position. As such, we consider that Group has sufficient cash to finance the Transaction and that the Transaction will not have a significant impact on the cash position and the working capital of the Group.

3. Effect on earnings

As disclosed in the 2011 Annual Report, the profit attributable to the equity holders of the Group for the financial year ended 31 December 2011 was approximately RMB3,892 million which had already consolidated the 2011 financial results of the Project Company with an audited net loss before and after taxation and extraordinary items of approximately RMB732,667 and RMB753,301 respectively, after deducting the minority interest.

While the actual profit generated from the SOHO Fuxing Plaza Project cannot be determined at this stage as the project is still under development, however given the positive prospect of the SOHO Fuxing Plaza Project as mentioned above in the section headed “2.C. Overview of Shanghai”, and our understanding from the discussions with the management of the Company that they plan to keep the SOHO Fuxing Plaza Project as investment properties which will generate rental income to the Group upon completion, we consider that the Transaction will have a positive effect on the future earnings of the Group.

In light of that there is:

- i) no impact on the net asset value of the Group;

LETTER FROM PLATINUM SECURITIES

- ii) no significant impact on the cash position and the working capital of the Group; and
- iii) a positive effect on the future earnings of the Group,

we are of the view that the Transaction will not have a significant financial effect on the Group upon completion but will have a positive financial effect on the Group in future and is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, taken into account the following in arriving at our opinion:

- i) although the Transaction is not entirely in the ordinary and usual course of business of the Group, the Group's intention to hold the SOHO Fuxing Plaza Project upon completion of the Transaction as investment properties and earn rental income from the properties is squarely in line with the business strategy of the Group;
- ii) the SOHO Fuxing Plaza Project will continue to benefit from the positive economic prospect in Shanghai, especially in its location (the former Luwan district);
- iii) the SOHO Fuxing Plaza Project will continue to benefit from the relatively high average rental rate in its location (the former Luwan district);
- iv) the SOHO Fuxing Plaza Project will continue to benefit from the steady demand for grade A offices in its location (the former Luwan district);
- v) the SOHO Fuxing Plaza Project, which is located in close proximity to one of the core shopping streets in Shanghai, will continue to enjoy an upward momentum in retail rental income;
- vi) the basis in determining the Consideration is fair and reasonable; and
- vii) the Transaction will not have a significant financial effect on the Group upon completion but will have a positive financial effect on the Group in future.

Having considered the above, we are of the view that the Transaction is on normal commercial terms, was entered into in line with the business strategy of the Group, is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
For and on behalf of
Platinum Securities Company Limited
Lenny Li
Director

The following is the text of a letter with the valuation certificate received from CBRE HK Limited, an independent property valuer, prepared for the purpose of incorporation in the circular in connection with its valuation as at 29 February 2012.

CBRE
CB RICHARD ELLIS
世邦魏理仕

34/F Central Plaza
18 Harbour Road
Wanchai, Hong Kong
T 852 2820 2800
F 852 2810 0830

香港灣仔港灣道十八號中環廣場三十四樓
電話 852 2820 2800 傳真 852 2810 0830

www.cbre.com.hk

地產代理(公司)牌照號碼
Estate Agent's Licence No: C-004065

23 April 2012

The Board of Directors

SOHO China Limited (the "Company")

11/F, Section A, Chaowai SOHO,
6B Chaowai Street, Chaoyang District,
Beijing City, the People's Republic of China (the "PRC")

Dear Sir/Madams,

In accordance with your instruction for us to value a commercial property in the PRC, we confirm that we have carried out an inspection made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of such property interests as at 29 February 2012 (the "date of valuation").

Our valuation is our opinion of Market Value which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Unless otherwise stated, our valuation is prepared in accordance with the "First Edition of The HKIS Valuation Standards on Properties" published by The Hong Kong Institute of Surveyors (the "HKIS"). We have also complied with all the requirements contained in Paragraph 34(2), (3) of Schedule 3 of the Companies Ordinance (Cap. 32), Chapter 5 and Chapter 14, Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Our valuation has been made on the assumption that the owner sells the properties on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the values of the property interests.

Unless otherwise stated, all the property interests are valued by the direct comparison method on the assumption that each property can be sold with the benefit of vacant possession. Comparison is based on prices realized on actual transactions or asking prices of comparable properties. Comparable properties with similar sizes, characters and locations are analyzed, and carefully weighted against all respective advantages and disadvantages of each property in order to arrive at a fair comparison of value.

We have valued the property interests on the basis that the property will be or can be developed and competed in accordance with the Company's latest development schemes provided to us. We have assumed that approvals from relevant authorities for such schemes have been obtained. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market to arrive at the capital value of the property as if the property were completed at the date of valuation and have also taken into account of the development costs to be spent to reflect the quality of the completed development. The "capital value of the property as if competed" represents our opinion of the aggregate selling prices of the property assuming that it would have been completed at the date of valuation.

We have relied to a considerable extent on information given by the Company, in particular, but not limited to, planning approvals, statutory notices, easements, tenancies and floor areas. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are only approximations. We have taken every reasonable care in both inspecting the information provided to us and making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

We have inspected the property to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects. We have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development.

No allowance has been made in our valuation neither for any charges, mortgages or mounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

Unless otherwise stated, all monetary amounts are stated in Renminbi (“RMB”).

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
CBRE HK Limited

Leo M Y LO
MHKIS MRICS RPS (GP)
Director
Valuation & Advisory Services
Greater China

Note: Mr. Lo is a member of Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). He has over 9 years’ valuation experience in Hong Kong and the PRC.

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital value in existing state as at 29 February 2012 (RMB)
A development site, north of Fuxing Middle Road, south of Hefei Road, east of Danshui Road, west of Madang Road, Huangpu District, Shanghai City, the PRC	<p>The property comprises a parcel of land with a total site area of approximately 20,084 sq.m..</p> <p>Upon completion, the property will be a large-scale commercial development with a total gross floor area of approximately 137,442 sq.m. comprising retail units with a gross floor area of approximately 34,442.5 sq.m., office units of approximately 51,430.6 sq.m., metro station space with a gross floor area of approximately 1,398 sq.m. and 511 underground car park lots with an area of 50,170.9 sq.m..</p> <p>As advised by the Company, the property will be completed in 2013.</p> <p>The property is held for commercial and office use with a land use term from 8 July 2003 to 7 July 2053.</p>	The property is currently under construction.	RMB3,925,000,000 (80% interests attributable to the Company: RMB3,140,000,000)

Notes:

- Pursuant to Shanghai Certificate of Real Estate Ownership No. Hu Fang Oi Lu Zi (2006) 003137 issued by Shanghai Housing and Land Resources Administration Bureau (上海市房屋土地资源管理局) dated 25 October 2006, the land of the property occupies a site area of 20,084 sq.m. and the land use rights of the property was granted to Shanghai Hong Sheng Real Estate Development Co., Ltd (上海弘聖房地產開發有限公司) for commercial and office use with a land use term from 8 July 2003 to 7 July 2053.

2. Pursuant to Construction Land Planning Permit No. Hu Gui Di (2008) 00080927E01192 (滬規地(2008)00080927E01192) issued by Shanghai Urban Planning Bureau dated 26 September 2008, the land of the property with a site area of 20,084 sq.m. is for commercial and office use and permitted to be developed into a gross floor area of 72,278 sq.m.
3. Pursuant to Construction Works Planning Permit No. Hu Gui Jian (2009) FA31000020091955 (滬規建(2009)FA31000020091955) issued by Shanghai Planning and Land Resources Administration Bureau dated 1 September 2009, the land of the property is limited to the below parameters:

Building Name	Structure	level	Height (meter)	No. of Block	Gross Floor Area (sq.m.)
A1 Office	Framed-tube	28	99.25	1	40,016.7
A2 Office	Frame	6	24	1	11,595.3
A3, A4 Retail	Frame	3	17.35	1	20,855
Basement	Frame	-5	22.95	1	64,975

4. Pursuant to Construction Works Commencement Permit NO.0401LW0005D01310103200406171919 by Shanghai Construction Administration Office dated 4 September 2009, the site with a gross floor area of approximately 137,442 sq.m. was permitted to be developed from 18 September 2009.
5. As advised by the Company, the construction cost incurred as at the date of valuation is approximately RMB322,103,975.
6. We have been provided with a legal opinion on the property interests prepared by the Company's PRC legal advisers (Zhong Lun Law Firm), which contains, inter alia, the following information:
- i) Shanghai Hong Sheng Real Estate Development Co., Ltd has legally acquired the land use rights of the land with a site area of 20,084 sq.m. and is entitled to occupy, use, transfer, lease, mortgage or otherwise dispose of the land use rights in compliance with the relevant PRC laws and regulations; and
 - ii) Shanghai Hong Sheng Real Estate Development Co., Ltd has obtained all the necessary permits, licenses, certificates and approvals for the development and construction of the property as of the date of valuation.

1 RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2 DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required pursuant to section 352 of the SFO to be recorded in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the ordinary shares of the Company

Name	Personal interests	Family interests	Corporate interests	Number of ordinary shares	Approximate percentage of shareholding
Pan Shiyi	–	3,324,100,000 (L)	–	3,324,100,000 (L)	64.0648% (L)
	–	262,721,286 (S)	–	262,721,286 (S)	5.0634% (S)
Pan Zhang Xin Marita	–	–	3,324,100,000 (L)	3,324,100,000 (L)	64.0648% (L)
	–	–	262,721,286 (S)	262,721,286 (S)	5.0634% (S)
Yan Yan	2,519,500 (L)(Note 2)	–	–	2,519,500 (L)	0.0486% (L)
Tong Ching Mau	656,250 (L)(Note 3)	–	–	656,250 (L)	0.0126% (L)
Ramin Khadem	300,000 (L)	–	–	300,000 (L)	0.0058% (L)

Notes:

- (1) (L) represents the Directors’ interest in shares or underlying shares, (S) represents the Directors’ short position in shares or underlying shares.

- (2) These are interests in the underlying shares, which include (i) options to subscribe for 1,242,500 shares granted under the Pre-IPO share option scheme approved by the shareholders of the Company on 14 September 2007 (the “**Pre-IPO Share Option Scheme**”); (ii) options to subscribe for 901,000 shares granted on 30 January 2008 under the share option scheme approved by the shareholders of the Company on 14 September 2007 (the “**Share Option Scheme**”); (iii) 70,000 shares beneficially owned; and (iv) 306,000 shares granted on 9 March 2011 under the employees’ share award scheme adopted by the Company on 23 December 2010 (the “**Employees’ Share Award Scheme**”).
- (3) These are interests in the underlying shares, which include (i) options to subscribe for 331,250 shares granted under the Pre-IPO Share Option Scheme; (ii) options to subscribe for 223,000 shares granted on 30 January 2008 under the Share Option Scheme; and (iii) 102,000 shares granted on 9 March 2011 under the Employees’ Share Award Scheme.

(ii) **Interests in the equity capital of the Company’s associated corporations**

Name	Name of associated corporation	Nature of interest	Share capital (USD)	Approximate percentage of shareholding
Pan Shiyi	Beijing Redstone Jianwai Real Estate Development Co. Ltd.	interest of controlled corporation	1,275,000	4.25%
	Beijing SOHO Real Estate Co Ltd.	beneficial owner	4,950,000	5.00%
	Beijing Redstone Newtown Real Estate Co. Ltd.	beneficial owner	500,000	5.00%
	Beijing Shanshi Real Estate Company Limited	beneficial owner	1,935,000	5.00%
Yan Yan	Beijing Redstone Jianwai Real Estate Development Co. Ltd.	interest of controlled corporation	225,000	0.75%

Save as disclosed above, to the knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required pursuant to section 352 of the SFO to be recorded in the register referred to therein, or pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3 DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries since 31 December 2011, the date to which the latest published audited consolidated financial statements of the Group were made up.

4 DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5 DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor any of their respective associates had any interest in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group.

6 MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited accounts of the Company were made up.

7 QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have been named in this circular or has given opinions or advice contained in this circular:

Name	Qualification
Platinum Securities	a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
CBRE HK Limited	Chartered professional surveyors and valuers

Each of Platinum Securities and CBRE HK Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion or letter and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Platinum Securities and CBRE HK Limited did not have any shareholdings in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of Platinum Securities and CBRE HK Limited did not have any direct or indirect interest in any asset which had been or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2011, being the date to which the latest published audited accounts of the Company were made up.

8 GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The address of the Company's headquarters is 11F, Section A, Chaowai SOHO, No. 6B Chaowai Street, Chaoyang District, Beijing 100020, the PRC and the Company's principal place of business in Hong Kong is at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong.
- (c) The branch share registrar and transfer office in Hong Kong of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's principal place of business in Hong Kong at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours within 14 days from the date of this circular:

- (a) the Third Equity Transfer Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 10 of this circular;
- (c) the letter from Platinum Securities to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 11 to 22 of this circular;

- (d) the property valuation report by CBRE HK Limited which is set out on pages 23 to 27 of this circular; and
- (e) the consent letters issued by Platinum Securities and CBRE HK Limited referred to in this circular.