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If you have sold or transferred all your securities in SOHO China Limited (the “**Company**”), you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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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
ACQUISITION OF “GUANGHUALU SOHO 2”**

**DISCLOSEABLE TRANSACTION
ACQUISITION OF “BEIJING SOHO RESIDENCES”**

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“associate(s)”	the meaning ascribed to it under the Listing Rules
“Beijing International Trust”	北京國際信託投資有限公司 (Beijing International Trust and Investment Co, Ltd.), a trust company incorporated in the PRC which will hold certain interest in Yeli and Millennium on trust for the Purchaser pursuant to the terms of the Yeli Acquisition Agreement, the Millennium Acquisition Agreement and the Trust Agreements
“Beijing Minyuan Building”	北京民源大廈, the original developer of “Guanghualu SOHO 2”
“Beijing SOHO Properties”	北京搜候物業管理有限公司 (Beijing SOHO Properties Management Limited), a company incorporated in the PRC and a wholly-owned subsidiary of the Company and the Purchaser
“Beijing SOHO Residences”	SOHO 北京公館, located at No. 5, Xinyuan South Road, Chaoyang District, Beijing, the PRC
“Board”	the board of Directors
“Business Day(s)”	the day(s) (other than a Saturday or Sunday) in Hong Kong on which banks in Hong Kong are open for business generally
“CBD”	Central Business District of Beijing
“Company”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Connected Person(s)”	the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guanghualu SOHO 2”	民源大廈項目 (Minyuan building project)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Huayuan”	北京市華遠地產股份有限公司 (Beijing Huayuan Real Properties Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties. It is one of the Yeli Vendors and one of the Millennium Vendors
“Independent Third Party(ies)”	party(ies) who are independent of the Company and Connected Persons of the Company
“Last Practicable Date”	19 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Millennium”	北京千禧房地產開發有限公司 (Beijing Millennium Real Properties Development Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties
“Millennium Acquisition”	the acquisition of 100% equity interest in Millennium pursuant to the Millennium Acquisition Agreement
“Millennium Acquisition Agreement”	the acquisition agreement dated 2 November 2007 entered into between Huayuan, Shoulv and Beijing SOHO Properties in relation to the Millennium Acquisition
“Millennium Completion”	the completion of the transactions contemplated under the Millennium Acquisition Agreement
“Millennium Consideration”	the consideration for the Millennium Acquisition as more particularly set out in the paragraph headed “Millennium Consideration” in this circular
“Millennium Trust Agreement”	the trust agreement dated 2 November 2007 entered into between Beijing SOHO Properties and Beijing International Trust in relation to the trust arrangement for the acquisition of 51% equity interest under the Millennium Acquisition Agreement
“Millennium Vendors”	Huayuan and Shoulv, the vendors under the Millennium Acquisition Agreement
“New Investco”	a wholly-owned subsidiary in the PRC to be established by the Company

DEFINITIONS

“Pharmaceutical Group”	北京醫藥集團有限責任公司 (Beijing Pharmaceutical Group Company Limited), a company incorporated in the PRC whose principal business is the production and sale of pharmaceutical products
“PRC”	the People’s Republic of China
“Purchaser”	Beijing SOHO Properties, and for the purpose of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement, also refers to other related parties nominated by Beijing SOHO Properties, including Beijing International Trust, any New Investco established by Beijing SOHO Properties or other wholly-owned subsidiaries of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shangcheng”	北京尚城投資管理有限公司 (Beijing Shangcheng Investment Management Limited), a company incorporated in the PRC whose principal business is investment and management. It is one of the Yeli Vendors
“Share(s)”	ordinary share(s) with nominal value of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shoulv”	北京市首旅華遠房地產開發有限公司 (Beijing Shoulv Huayuan Real Properties Development Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties. It is one of the Millennium Vendors
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	the meaning ascribed to it under the Listing Rules
“Trust”	The Little Brothers Settlement constituted on 25 November 2005 of which HSBC International Trustee Limited in the trustee
“Trust Agreements”	the Yeli Trust Agreement and the Millennium Trust Agreement

DEFINITIONS

“Yeli”	北京野力房地產開發有限公司 (Beijing Yeli Real Properties Development Company Limited), a company incorporated in the PRC whose principal business is the development and sale of commercial properties. It owns the legal rights to develop and construct “Guanghualu SOHO 2”
“Yeli Acquisition”	the acquisition of 100% equity interest in Yeli pursuant to the Yeli Acquisition Agreement
“Yeli Acquisition Agreement”	the acquisition agreement dated 2 November 2007 entered into between Huayuan, Shangcheng and Beijing SOHO Properties in relation to the Yeli Acquisition
“Yeli Completion”	the completion of the transactions contemplated under the Yeli Acquisition Agreement
“Yeli Consideration”	the consideration for the Yeli Acquisition as more particularly set out in the paragraph headed “Yeli Consideration” in this circular
“Yeli Trust Agreement”	the trust agreement dated 2 November 2007 entered into between Beijing SOHO Properties and Beijing International Trust in relation to the trust arrangement for the acquisition of 55% equity interest under the Yeli Acquisition Agreement
“Yeli Vendors”	Huayuan and Shangcheng, the vendors under the Yeli Acquisition Agreement
“Zhongying Group”	中國電影集團公司 (China Movies Group Company), a company incorporated in the PRC whose principal business is the production and sale of movies

In this circular, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1.00 to RMB0.9617. Such exchange rate has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

In this circular, the English names of enterprises established in the PRC and projects located in the PRC are translations of their Chinese names and are included 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
Ms. PAN ZHANG Xin Marita
Ms. YAN Yan
Mr. SU Xin

Independent non-executive Directors:

Mr. CHA Mou Zing, Victor
Mr. Ramin KHADEM
Mr. YI Xiqun

Registered office:

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

Corporate Headquarters:

SOHO Newtown
18-20th Floor, Tower B
No. 88 Jianguo Road
Chaoyang District
Beijing 100022
People's Republic of China

Principal place of business in

Hong Kong:

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

23 November 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
ACQUISITION OF “GUANGHUALU SOHO 2”**

**DISCLOSEABLE TRANSACTION
ACQUISITION OF “BEIJING SOHO RESIDENCES”**

INTRODUCTION

The Board announced on 5 November 2007 that, the Company has acquired (i) “Guanghualu SOHO 2” through the Yeli Acquisition Agreement which was entered into between Huayuan, Shangcheng and Beijing SOHO Properties pursuant to which Beijing SOHO Properties will acquire 100% equity interest in Yeli from the Yeli Vendors; and (ii) “Beijing SOHO Residences” through the Millennium Acquisition Agreement which was entered into between Huayuan, Shouly and Beijing SOHO Properties pursuant to which Beijing SOHO Properties will acquire 100% equity interest in Millennium from the Millennium Vendors.

LETTER FROM THE BOARD

Each of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement constitutes a discloseable transaction for the Company under the Listing Rules. The Yeli Acquisition and the Millennium Acquisition, when aggregated, also constitute a discloseable transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further information of the Millennium Acquisition and the Yeli Acquisition.

YELI ACQUISITION AGREEMENT

On 2 November 2007, the Company has acquired “Guanghualu SOHO 2” through the Yeli Acquisition Agreement which was entered into between Huayuan, Shangcheng and Beijing SOHO Properties. The principal terms of the Yeli Acquisition Agreement are as follows:

Date: 2 November 2007

Parties: Yeli Vendors: (1) Huayuan, being the beneficial owner of 99% equity interest in Yeli
(2) Shangcheng, being the beneficial owner of 1% equity interest in Yeli

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Huayuan and Shangcheng and their respective ultimate beneficial owners are Independent Third Parties.

Purchaser: Beijing SOHO Properties

Pursuant to the Yeli Acquisition Agreement, the Purchaser also refers to other related parties nominated by Beijing SOHO Properties, including Beijing International Trust, any New Investco established by Beijing SOHO Properties or other wholly-owned subsidiaries of the Company.

Beijing International Trust is the trustee engaged by the Purchaser under the Yeli Trust Agreement pursuant to which Beijing International Trust will acquire 55% equity interest in Yeli on trust for the Purchaser pending the establishment of the New Investco. Upon the establishment of the New Investco, Beijing International Trust will transfer such 55% equity interest in Yeli to New Investco.

Subject matter: 100% equity interest in Yeli

LETTER FROM THE BOARD

Yeli Consideration: RMB1,029,802,380 (equivalent to approximately HK\$1,070,814,578), representing the aggregate of:

- (1) RMB721,000,000 (equivalent to approximately HK\$749,714,048), being the consideration for the transfer of 100% equity interest in Yeli. This is determined based on the aggregate of the acquisition cost of Huayuan when acquiring Yeli, being RMB521,000,000 (equivalent to approximately HK\$541,748,986), and a premium of RMB200,000,000 (equivalent to approximately HK\$207,965,062). The premium was determined after arm's length negotiation between the Yeli Vendors and the Purchaser;
- (2) RMB177,000,000 (equivalent to approximately HK\$184,049,080), which shall be applied by Yeli to repay part of the demolition expenses made to Pharmaceutical Group and Beijing Minyuan Building by Huayuan on behalf of Yeli;
- (3) RMB92,000,000 (equivalent to approximately HK\$95,663,928), which shall be applied by Yeli to repay the consideration for acquiring existing building paid by Huayuan on behalf of Yeli;
- (4) RMB39,082,380 (equivalent to approximately HK\$40,638,848), which shall be applied by Yeli to repay the loan made by Huayuan to Yeli; and
- (5) RMB720,000 (equivalent to approximately HK\$748,674), being the compensation for blocking sunlight to be paid to five tenants in a building near the site of "Guanghualu SOHO 2".

Yeli Completion: The Yeli Acquisition will be completed in the following stages:

The Yeli Vendors shall transfer 55% equity interest (namely 54% from Huayuan and 1% from Shangcheng) to Beijing International Trust, which will hold the 55% equity interest in Yeli on trust for Beijing SOHO Properties. It is expected that the transfer of the 55% equity interest will be completed on a day which is on or about 15 days from the date of the Yeli Acquisition Agreement. When the New Investco is established, Beijing International Trust will transfer all the equity interest held by it in Yeli to the New Investco.

After the transfer of the 55% equity interest in Yeli to Beijing International Trust is completed, RMB695,352,380 (equivalent to approximately HK\$723,045,004) will be paid to the Yeli Vendors. Management of Yeli shall be handed over to the Purchaser within three Business Days after such payment.

LETTER FROM THE BOARD

After the completion of the transfer of the 55% equity interest in Yeli, the Yeli Vendors will not participate in the management and operation of Yeli. Commencing on the day when the management of Yeli is handed over to the Purchaser, all the investments will be borne by the Purchaser. All the profits and rights of Yeli and “Guanghualu SOHO 2” will be enjoyed by the Purchaser.

On or prior to 10 January 2009, the parties to the Yeli Acquisition Agreement will undertake the procedures to transfer the remaining 45% equity interest in Yeli. The balance of RMB334,450,000 (equivalent to approximately HK\$347,769,575) shall be paid by the Purchaser to Huayuan on the day of completion of the transfer of the 45% equity interest. In any event, this balance shall be paid to the Yeli Vendors by 10 February 2009.

As at the Latest Practicable Date, the transfer of the 55% equity interest in Yeli to Beijing International Trust has been completed.

BUSINESS OF THE GROUP, HUAYUAN AND SHANGCHENG

The Group is principally engaged in the development and sale of commercial properties in central Beijing. Huayuan is a property developer in Beijing and Shangcheng, being a subsidiary of Huayuan, is principally engaged in the business of investment and management which mainly invest in real properties.

INFORMATION ON YELI

Yeli is a company incorporated in the PRC which owns the legal rights to develop and construct “Guanghualu SOHO 2”.

INFORMATION ON “GUANGHUALU SOHO 2”

“Guanghualu SOHO 2” is located opposite the successful Guanghualu SOHO project, both of which are located in the center of the Beijing CBD and in close proximity to the China World Trade Centre and the Silk Market.

“Guanghualu SOHO 2” will have an above-ground GFA of approximately 128,000 sq.m. with a basement of approximately 52,000 sq.m., providing a total GFA of approximately 180,000 sq.m.. Additional costs will be incurred to develop “Guanghualu SOHO 2” into a prime commercial and retail complex with architectural features consistent with the Company’s other projects. “Guanghualu SOHO 2” is expected to complete in 2010 with pre-sales commencing in late 2008.

The net loss attributable to Yeli for each of the financial years ended 31 December 2005 and 2006 was RMB167,821 (equivalent to approximately HK\$174,505) and RMB472,083 (equivalent to approximately HK\$490,884) respectively. The net asset value of Yeli for each of the two financial years ended 31 December 2005 and 2006 was RMB9,688,577 (equivalent to approximately HK\$10,074,428) and RMB9,216,494 (equivalent to approximately HK\$9,583,544) respectively.

LETTER FROM THE BOARD

MILLENNIUM ACQUISITION AGREEMENT

On 2 November 2007, the Company has acquired the “Beijing SOHO Residences” through the Millennium Acquisition Agreement which was entered into between Huayuan, Shoulv and Beijing SOHO Properties. The principal terms of the Millennium Acquisition Agreement are as follows:

Date: 2 November 2007

Parties: Millennium Vendors: (1) Huayuan, being the beneficial owner of 48.96% equity interest in Millennium

(2) Shoulv, being the beneficial owner of 51.04% equity interest in Millennium

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Huayuan and Shoulv and their respective ultimate beneficial owners are Independent Third Parties.

Purchaser: Beijing SOHO Properties

Pursuant to the Millennium Acquisition Agreement, the Purchaser also refers to other related parties nominated by Beijing SOHO Properties, including Beijing International Trust, any New Investco established by Beijing SOHO Properties or other wholly-owned subsidiaries of the Company.

Beijing International Trust is the trustee engaged by the Purchaser under the Millennium Trust Agreement pursuant to which Beijing International Trust will acquire 51% equity interest in Millennium on trust for the Purchaser pending the establishment of the New Investco. Upon the establishment of the New Investco, Beijing International Trust will transfer such 51% equity interest in Millennium to New Investco.

Subject matter: 100% equity interest in Millennium

LETTER FROM THE BOARD

**Millennium
Consideration:**

RMB1,412,698,875 (equivalent to approximately HK\$1,468,960,045), representing the aggregate of:

- (1) RMB406,000,000 (equivalent to approximately HK\$422,169,076), representing the registered capital of RMB96,000,000 (equivalent to approximately HK\$99,823,230) and share premium of RMB310,000,000 (equivalent to approximately HK\$322,345,846);
- (2) RMB1,006,698,875 (equivalent to approximately HK\$1,046,790,969) which shall be applied by the Millennium Vendors for the following purposes:
 - (i) repayment of money owed by Millennium to the Millennium Vendors;
 - (ii) payment of any amount payable by the Millennium Vendors under the terms of the Millennium Acquisition Agreement;
 - (iii) payment of any amount which shall be borne by the Millennium Vendors under the Millennium Acquisition Agreement; and
 - (iv) payment of the amount payable for the purpose of exchanging the building ownership certificate with Zhongying Group.

**Millennium
Completion:**

The Millennium Acquisition will be completed in the following stages:

The Millennium Vendors shall transfer 51% equity interest (namely 48.96% from Huayuan and 2.04% from Shoulv) to Beijing International Trust, which will hold the 51% equity interest in Millennium on trust for Beijing SOHO Properties. It is expected that the transfer of the 51% equity interest will be completed on a day which is on or about 15 days from the date of the Millennium Acquisition Agreement. When the New Investco is established, Beijing International Trust will transfer all the equity interest held by it in Millennium to the New Investco.

After the transfer of the 51% equity interest in Millennium to Beijing International Trust is completed, RMB207,060,000 (equivalent to approximately HK\$215,306,229) will be paid by the Purchaser to the Millennium Vendors.

After the completion of the transfer of the 51% equity interest in Millennium, the Millennium Vendors will not participate in the management and operation of Millennium. Commencing on the day when the management of Millennium is handed over to the Purchaser, all the investments will be borne by the Purchaser and the profits will be enjoyed by the Purchaser.

LETTER FROM THE BOARD

After the completion of the transfer of the 51% equity interest and prior to 15 January 2008, the parties to the Millennium Acquisition Agreement will undertake the procedures to transfer 24% equity interest in Millennium. Within seven days after the signing of the transfer agreement for the 24% equity interest, RMB1,006,698,875 (equivalent to approximately HK\$1,046,790,969) will be paid by the Purchaser to the Millennium Vendors. Within 30 days from the signing of the aforesaid transfer agreement, the balance of RMB97,440,000 (equivalent to approximately HK\$101,320,578) will be paid by the Purchaser to the Millennium Vendors. However, if the transfer of the 24% equity interest completes within seven days from the date of the transfer agreement, the aggregate sum, being RMB1,104,138,875 (equivalent to approximately HK\$1,148,111,547) will be paid by the Purchaser to the Millennium Vendors. If the transfer of the 24% equity interest completes during the period which is between seven days from the date of the transfer agreement and 30 days from the date of the transfer agreement, the amount of RMB97,440,000 (equivalent to approximately HK\$101,320,578) will be paid by the Purchaser to the Millennium Vendors upon completion.

Within three days after the completion of the transfer of 75% equity interest in Millennium and the transfer of the building ownership certificate (房產證) from Zhongying to Millennium, the parties to the Millennium Acquisition Agreement will undertake the procedures to transfer 20% equity interest in Millennium. On the day on which the transfer of the 20% equity interest in Millennium is completed and in any event, within 30 days from the date of signing the aforesaid transfer agreement, RMB81,200,000 (equivalent to approximately HK\$84,433,815) will be paid by the Purchaser.

Upon the Purchaser obtaining the project construction completion certificate (項目建築工程竣工驗收備案表) but in any event not later than 30 January 2009, the parties to the Millennium Acquisition Agreement will undertake the procedures to transfer the remaining 5% equity interest in Millennium. On the day on which the transfer of the 5% equity interest in Millennium is completed and in any event, within 30 days from the date of the aforesaid transfer agreement, RMB20,300,000 (equivalent to approximately HK\$21,108,454) will be paid by the Purchaser to the Millennium Vendors.

As at the Latest Practicable Date, the transfer of the 51% equity interest in Millennium to Beijing International Trust has been completed.

LETTER FROM THE BOARD

BUSINESS OF THE GROUP, HUAYUAN AND SHOULV

The Group is principally engaged in the development and sale of commercial properties in central Beijing. Huayuan is a property developer in Beijing and Shoulv, being a subsidiary of Huayuan, is principally engaged in the business of property development and sale.

INFORMATION ON MILLENNIUM

Millennium is a company incorporated in the PRC which owns the legal rights to develop the “Beijing SOHO Residences”.

INFORMATION ON “BEIJING SOHO RESIDENCES”

“Beijing SOHO Residences” is situated in central Beijing and is a completed luxury residential building located near the Lufthansa Centre, a well known commercial complex situated on the East Third Ring Road in central Beijing.

“Beijing SOHO Residences” comprises approximately 66,333 sq.m. of luxury residential GFA. Of this, approximately 53,600 sq.m. is saleable. After fit-out, the development will comprise approximately 220 highly-specified luxury apartments.

Additional costs will be incurred to complete the interior finishes of “Beijing SOHO Residences” to the standards expected by the buyer who purchase SOHO China’s properties. Works are expected to be completed in the third quarter of 2008 with pre-sales commencing in late 2007 or early 2008.

The net loss attributable to Millennium for each of the two financial years ended 31 December 2005 and 2006 was RMB4,034,318 (equivalent to approximately HK\$4,194,986) and RMB10,688,108 (equivalent to approximately HK\$11,113,765) respectively. The net asset value of Millennium for each of the two financial years ended 31 December 2005 and 2006 was RMB80,160,626 (equivalent to approximately HK\$83,353,048) and RMB54,173,315 (equivalent to approximately HK\$56,330,784) respectively.

As set out in the Company’s prospectus dated 21 September, 2007, the Company also engaged in the development and sale of high-end residential properties situated in prime locations in central Beijing, such as SOHO Newtown and Sanlitun SOHO (which are both partly commercial and partly residential), which are developed by the Company. As the Beijing SOHO Residences is located in the prime location in central Beijing, the Directors consider that this acquisition will further enhance the business of the Company and is in line with the principal business activities or the future business plan of the Company.

PAYMENT OF THE YELI CONSIDERATION AND THE MILLENNIUM CONSIDERATION

The Company will satisfy the aggregate Yeli Consideration and the Millennium Consideration as to RMB900,000,000 (equivalent to approximately HK\$935,842,778) by internal funding from two of its subsidiaries, namely 北京紅石建外房地產開發有限公司 (Redstone Jianwai Property Development Company Limited) and 北京建華置地有限公司 (Jianhua Real Estate Company Limited), and as to the balance from the working capital of the Group.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION OF “GUANGHUALU SOHO 2” AND “BEIJING SOHO RESIDENCES”

“Guanghualu SOHO 2” and “Beijing SOHO Residences” are situated in prime locations in central Beijing. The Board considers that these projects are attractive opportunities for the Company and is a furtherance of the existing business of the Company. The Directors consider that the acquisitions will further strengthen the Company’s foothold within Central Beijing and demonstrate the Company’s commitment to seize key properties in prime locations, thus adding to the Company’s competitive advantage. The Directors consider that the terms of each of the Yeli Acquisition Agreement and the Millennium Acquisition Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

The Yeli Consideration and Millennium Consideration of RMB2,442,501,255 (equivalent to approximately HK\$2,539,774,623) will be settled by internal funding and working capital of the Group. After the completion of the transfer of equity interest, both Yeli and Millennium will become indirect wholly-owned subsidiaries of the Company. All the earnings, as well as, the assets and liabilities of Yeli and Millennium will be recorded in the consolidated financial statements of the Group. Moreover, it is expected that there will be a positive impact on the earnings and assets of the Group in the future. The Directors believe that there will be no material impact on the liabilities of the Group.

LISTING RULES IMPLICATIONS OF THE YELI ACQUISITION AGREEMENT AND THE MILLENNIUM ACQUISITION AGREEMENT

The acquisition of “Guanghualu SOHO 2” under the Yeli Acquisition Agreement and the acquisition of “Beijing SOHO Residences” under the Millennium Acquisition Agreement each constitutes a discloseable transaction for the Company under the Listing Rules. The Yeli Acquisition and the Millennium Acquisition, when aggregated, also constitute a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
SOHO China Limited
Pan Shiyi
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

A. Shareholding Interests of Directors

As at the Latest Practicable Date, the interests or short positions of the Directors or the chief executive officer of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests in which they are taken or deemed to have taken under such provisions of the SFO), or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:

(i) Shares of the Company

	Personal Interests	Family Interests	Corporate Interests	Total (Approximate Number of Shares)	Total percentage of Shares)
Pan Shiyi	—	3,324,100,000	—	3,324,100,000	63.529%
Pan Zhang					
Xin Marita	—	—	3,324,100,000	3,324,100,000	63.529%
Yan Yan					
(Note)	1,242,500	—	—	1,242,500	0.024%
Su Xin					
(Note)	750,000	—	—	750,000	0.014%

Note: These are interest in the underlying Shares pursuant to options granted on 14 September 2007 under the Company's pre-IPO share option scheme adopted by the Company pursuant to a resolution passed by Shareholders on 14 September 2007.

(ii) *Shares of the Company's subsidiaries*

	Name of subsidiary	Nature of interest	Approximate percentage of interest in the subsidiary
Pan Shiyi	Beijing Redstone Jianwai Real Estate Development Co. Ltd.	indirect	4.25%
	Beijing SOHO Real Estate Co. Ltd.	beneficial	5%
	Beijing Redstone Newtown Real Estate Co. Ltd.	beneficial	5%
	Beijing Shanshi Real Estate Company Limited	beneficial	5%
Yan Yan	Beijing Redstone Jianwai Real Estate Development Co. Ltd.	indirect	0.75%

B. **Substantial Shareholders**

So far as is known to the Directors, as at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain Directors, the following Shareholders had notified the Company of their relevant interests or short position in the issued share capital of the Company discloseable under Divisions 2 and 3 under Part XV of the SFO:

	Number of Shares	Approximate percentage of Shares
Pan Zhang Xin Marita	3,324,100,000	63.529%
Capevale Limited (Cayman Islands) (<i>Note 1</i>)	3,324,100,000	63.529%
Boyce Limited (<i>Notes 1 and 2</i>)	1,662,050,000	31.765%
Capevale Limited (BVI) (<i>Notes 1 and 3</i>)	1,662,050,000	31.765%

Notes:

- (1) HSBC International Trustee Limited (in its capacity as the trustee of the Trust) is the legal owner of 100% of the shares in the issued share capital of Capevale Limited (Cayman Islands). HSBC International Trustee Limited holds these shares under the Trust for the benefit of the beneficiaries of the Trust, including Ms. Pan Zhang Xin Marita. Each of Boyce Limited and Capevale Limited (BVI) is the record owner of 1,662,050,000 Shares, or approximately 31.765% of the Company.
- (2) Boyce Limited is a wholly-owned subsidiary of Capevale Limited (Cayman Islands).
- (3) Capevale Limited (BVI) is a wholly-owned subsidiary of Capevale Limited (Cayman Islands).

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

5. SERVICE CONTRACTS

Each of Mr. Pan Shiyi, Ms. Pan Zhang Xin Marita, Ms. Yan Yan and Mr. Su Xin has entered into service agreements with the Company under which each of them will receive a base salary and a director's allowance and will be eligible for a discretionary bonus as well as reimbursement of all out of pocket expenses properly and reasonably incurred in the course of his/her employment. The Company also provides Ms. Zhang and her family with the use of House No. 35 of the Commune by the Great Wall, or any other house of similar type, and will bear the expenses of taxing, insuring, repairing and maintaining such house.

Each employment agreement is for an initial period of three years commencing on the listing date of the Company, and will continue thereafter unless and until terminated by either party by serving not less than six months' prior written notice.

For each complete financial quarter, the Company may, at its discretion, consider and pay each of Mr. Pan, Ms. Zhang, Ms. Yan and Mr. Su a bonus of such amount as the Board may determine, calculated with reference to the guidelines approved by the Company's remuneration committee.

In consideration of, among other things, their respective employment and compensation arrangements under their respective employment agreements, these individuals has agreed to be bound by certain restrictive covenants, including a covenant which restricts their ability to compete with the Company both during and subsequent to their employment by the Company.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for a term of one year commencing from 11 May 2007 with an annual fee of HK\$250,000 (less any necessary statutory deductions). Their appointments are subject to re-election in the general meeting.

Save as disclosed above, as at the Latest Practicable Date, there is no existing nor proposed service contract of Directors (excluding contracts expiring or determinable by the Group within one year without payment or any compensation other than statutory compensation).

6. COMPETING INTERESTS

Other than as disclosed in the prospectus of the Company dated 21 September 2007, as at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which compete or may compete with the business of the Group.

7. 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 corporate headquarters of the Company is at SOHO Newtown, 18-20th Floor, Tower B, No. 88 Jianguo Road, Chaoyang District, Beijing 100022, People's Republic of China and the place of business of the Company in Hong Kong is at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong.
- (c) The branch registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited whose office is at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Ngai Wai Fung. He is a fellow of Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom and a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (e) The qualified accountant of the Company is Mr. Zhao Guilin who has qualified as a certified public accountant in Australia. Mr. Zhao qualified as a PRC registered taxation adviser in 1998 and qualified as a PRC certified public accountant in 1994.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.