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**TWO CITIES MASTER
HOLDINGS II LIMITED**

(Incorporated in the Cayman Islands with limited liability)

**SOHO CHINA LIMITED
SOHO 中國有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 410)

JOINT ANNOUNCEMENT

**PRE-CONDITIONAL VOLUNTARY CONDITIONAL CASH OFFER BY
GOLDMAN SACHS (ASIA) L.L.C.**

ON BEHALF OF

TWO CITIES MASTER HOLDINGS II LIMITED

**TO ACQUIRE ALL THE ISSUED SHARES IN SOHO CHINA LIMITED
(OTHER THAN THOSE ALREADY OWNED BY TWO CITIES
MASTER HOLDINGS II LIMITED AND PARTIES ACTING
IN CONCERT WITH IT)**

AND

RESUMPTION OF TRADING

Financial adviser to Two Cities Master Holdings II Limited

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C.

INTRODUCTION

The Offeror and the Company jointly announce that Goldman Sachs will, on behalf of the Offeror, subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, make a voluntary conditional cash offer to acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it). All references to the Offer in this announcement are references to the possible Offer which will be made if and only if the Pre-Conditions are satisfied or, if capable of being waived, waived.

THE OFFER

The Offer will be made by Goldman Sachs on behalf of the Offeror on the following basis:

Consideration of the Offer

For each Share HK\$5.00 in cash

As at the date of this announcement, the Company does not have outstanding dividends which have been declared but not yet paid and the Company does not intend to declare or pay any dividend or other distribution on the Shares before the Closing Date. If, after the date of this announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in this announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions.

PRE-CONDITIONS TO THE OFFER

The making of the Offer by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Pre-Conditions on or prior to the Long Stop Date:

- (1) the submission of a Notification of Concentration of Undertakings by the Offeror to, and acceptance by SAMR, under PRC Anti-Monopoly Law in respect of the Offer and the clearance or deemed clearance (through the expiration of the relevant statutory time periods for review by SAMR) by SAMR under PRC Anti-Monopoly Law of the Offer (provided that any conditions attached to the clearance imposed by SAMR are reasonably acceptable to the Offeror);
- (2) up to and including the time when the Pre-Condition set out in (1) above is satisfied, (a) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed, and (b) there is no outstanding statute, regulation, demand or order, in each case that would make the Offer void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Offer; and
- (3) unless this Pre-Condition is waived by the Offeror, since the date of the last audited consolidated financial statements of the Company and up to and including the time when the Pre-Condition set out in (1) above is satisfied, there having not occurred a Material Adverse Change.

Pre-Conditions (1) and (2) cannot be waived. Pre-Condition (3) may be waived by the Offeror. If any of the Pre-Conditions is not satisfied or, if capable of being waived, waived on or before the Long Stop Date, the Offer will not be made by the Offeror.

The Offeror will issue a further announcement as soon as practicable: (i) after all the Pre-Conditions have been satisfied or, if capable of being waived, waived; (ii) if any of the Pre-Conditions has not been satisfied or, if capable of being waived, waived and the Offer will not be made; or (iii) if the Offeror, the Undertaking Shareholders and the Undertaking Parties have agreed the Long Stop Date to be a date beyond 31 December 2021.

CONDITIONS OF THE OFFER

The Offer to be made by the Offeror upon satisfaction or, if capable of being waived, waiver of the Pre-Conditions is subject to the satisfaction or, if capable of being waived, waiver of the following Conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn; and
- (c) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed, and (ii) there is no outstanding statute, regulation, demand or order, in each case which would make the Offer void, unenforceable or illegal or prohibit implementation of the Offer or which would impose any material conditions, limitations or obligations with respect to the Offer.

The Offeror reserves the right to waive, in whole or in part, Conditions set out in (b) and (c) above. The Condition set out in (a) above cannot be waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Offer if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Offer.

IRREVOCABLE UNDERTAKING

Each of Boyce Limited and Capevale Limited (BVI) holds 1,662,050,000 Shares as at the date of this announcement. On 16 June 2021, each of the Undertaking Shareholders and the Undertaking Parties gave the Irrevocable Undertaking in favour of the Offeror.

Pursuant to the Irrevocable Undertaking, each of Boyce Limited and Capevale Limited (BVI) has irrevocably undertaken to the Offeror to accept the Offer in respect of 1,428,071,000 Shares, representing an aggregate of 2,856,142,000 Shares and approximately 54.93% of the issued share capital of the Company as at the date of this announcement, after the fifth Business Day after the dispatch of the Composite Document and in any event before 4:00 p.m. on the tenth Business Day after the dispatch of the Composite Document. Upon the completion of the transfer of 2,856,142,000 Shares subject to the Irrevocable Undertaking to the Offeror, each of Boyce Limited and Capevale Limited (BVI) will retain 233,979,000 Shares and together will retain 467,958,000 Shares, representing approximately 9.00% of the total issued share capital of the Company as at the date of this announcement.

Each of Boyce Limited and Capevale Limited (BVI) is wholly-owned by Capevale Limited (Cayman) which in turn is wholly-owned by Cititrust Private Trust (Cayman) Limited, in its capacity as trustee and which holds the interests in the Shares held by each of Boyce Limited and Capevale Limited (BVI) on trust for the beneficiaries of the Trust, being the Undertaking Shareholders and their children. Pursuant to the Irrevocable Undertaking: (i) each of the Undertaking Shareholders has irrevocably undertaken that he/she shall not take any action (or omit to take any action) that would (directly or indirectly) prevent Boyce Limited and Capevale Limited (BVI) to comply with the irrevocable undertakings set out above; and (ii) Cititrust Private Trust (Cayman) Limited and Capevale Limited (Cayman) has irrevocably undertaken to procure each of Boyce Limited and Capevale Limited (BVI) to comply with the irrevocable undertakings set out above.

The Undertaking Shareholders and the Undertaking Parties may terminate the Irrevocable Undertaking if: (a) the Pre-Conditions are not satisfied or, if capable of being waived, waived on or before the Long Stop Date; (b) the Offeror fails to publish this announcement within five Business Days of the date of the Irrevocable Undertaking (or such later date as the Offeror and the Undertaking Shareholders and the Undertaking Parties may agree in writing); (c) the Offeror fails to despatch the Composite Document within the period required under the Takeovers Code (or such longer period as may be approved by the Executive); (d) the Offer is otherwise not made by the Offeror; or (e) the Offer lapses.

Shareholders of, and/or potential investors in, the Company should note that, as the making of the Offer is subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, the Offer may or may not be made. Further, completion of the Offer is subject to the Conditions being satisfied or, if capable of being waived, waived and therefore the Offer may or may not become unconditional and may or may not be completed. Accordingly, the issue of this announcement does not imply that the Offer will be made or will be completed. Shareholders of, and/or potential investors in, the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

VALUE OF THE OFFER

As at the date of this announcement, there are 5,199,524,031 Shares in issue. There are no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this announcement. Assuming that the Offer is accepted in full (save for the 467,958,000 Shares in aggregate to be retained by Boyce Limited and Capevale Limited (BVI)) at the Offer Price of HK\$5.00 per Share, the maximum cash consideration for the Offer is approximately HK\$23,657,830,155.00.

CONFIRMATION OF FINANCIAL RESOURCES

The Offeror intends to finance the consideration payable by the Offeror under the Offer and the buyer's ad valorem stamp duty for the Offer Shares with equity commitments from the Participating Funds. Each of the Participating Funds is ultimately controlled by The Blackstone Group Inc.

Goldman Sachs, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer (save for the 467,958,000 Shares in aggregate to be retained by Boyce Limited and Capevale Limited (BVI)).

LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares and intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. According to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In connection with the foregoing, it should be noted that upon the close of the Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained, and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after close of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Sun Qiang Chang, Mr. Xiong Ming Hua and Mr. Huang Jingsheng, being all the independent non-executive Directors of the Company, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. A further announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 June 2021 pending the release of this announcement.

Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 June 2021.

INTRODUCTION

The Offeror and the Company jointly announce that Goldman Sachs will, on behalf of the Offeror, subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, make a voluntary conditional cash offer to acquire all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it). All references to the Offer in this announcement are references to the possible Offer which will be made if and only if the Pre-Conditions are satisfied or, if capable of being waived, waived.

As at the date of this announcement, there are 5,199,524,031 Shares in issue. There are no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this announcement.

THE OFFER

The Offer will be made by Goldman Sachs on behalf of the Offeror on the following basis:

Consideration of the Offer

For each Share HK\$5.00 in cash

As at the date of this announcement, the Company does not have outstanding dividends which have been declared but not yet paid and the Company does not intend to declare or pay any dividend or other distribution on the Shares before the Closing Date. If, after the date of this announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in this announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions.

Comparisons of value

The Offer Price of HK\$5.00 per Share represents:

- (a) a premium of approximately 31.6% over the closing price of HK\$3.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 57.6% over the average of the closing prices as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$3.17 per Share;
- (c) a premium of approximately 99.5% over the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$2.51 per Share;
- (d) a premium of approximately 103.4% over the average of the closing prices as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of HK\$2.46 per Share;
- (e) a premium of approximately 103.9% over the average of the closing prices as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$2.45 per Share; and
- (f) a discount of approximately 40.3% to the audited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$8.37 as at 31 December 2020, based on an exchange rate of RMB1 to HK\$1.1879 (being the rate published by Bloomberg on 31 December 2020).

Highest and lowest Share prices

During the six-month period up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$3.80 per Share on the Last Trading Day and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$2.27 per Share on 13 May 2021 and 17 May 2021.

Holdings of Shares by the Offeror and its parties acting in concert

The Offeror and parties acting in concert with it (other than those with exempt principal trader status) do not hold, control or have direction over any other Shares and do not have, control or have direction over any other interests in the issued share capital or voting rights of the Company.

As of the date of this announcement, the Offeror and parties acting in concert with it do not control or have direction over any outstanding options, derivatives, warrants or securities which are convertible into or exchangeable for securities of the Company.

Dealings in securities of the Company

The Offeror and parties acting in concert with it (other than those with exempt principal trader status) have not dealt in the shares, convertible securities, warrants, options or derivatives of the Company during the six-month period ended on the date of this announcement.

PRE-CONDITIONS TO THE OFFER

The making of the Offer by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Pre-Conditions on or prior to the Long Stop Date:

- (1) the submission of a Notification of Concentration of Undertakings by the Offeror to, and acceptance by SAMR, under PRC Anti-Monopoly Law in respect of the Offer and the clearance or deemed clearance (through the expiration of the relevant statutory time periods for review by SAMR) by SAMR under PRC Anti-Monopoly Law of the Offer (provided that any conditions attached to the clearance imposed by SAMR are reasonably acceptable to the Offeror);
- (2) up to and including the time when the Pre-Condition set out in (1) above is satisfied, (a) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed, and (b) there is no outstanding statute, regulation, demand or order, in each case that would make the Offer void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Offer; and
- (3) unless this Pre-Condition is waived by the Offeror, since the date of the last audited consolidated financial statements of the Company and up to and including the time when the Pre-Condition set out in (1) above is satisfied, there having not occurred a Material Adverse Change.

Pre-Conditions (1) and (2) cannot be waived. Pre-Condition (3) may be waived by the Offeror. If any of the Pre-Conditions is not satisfied or, if capable of being waived, waived on or before the Long Stop Date, the Offer will not be made by the Offeror.

The Offeror will issue a further announcement as soon as practicable: (i) after all the Pre-Conditions have been satisfied or, if capable of being waived, waived; (ii) if any of the Pre-Conditions has not been satisfied or, if capable of being waived, waived and the Offer will not be made; or (iii) if the Offeror, the Undertaking Shareholders and the Undertaking Parties have agreed the Long Stop Date to be a date beyond 31 December 2021.

CONDITIONS OF THE OFFER

The Offer to be made by the Offeror upon satisfaction or, if capable of being waived, waiver of the Pre-Conditions is subject to the satisfaction or, if capable of being waived, waiver of the following Conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn; and
- (c) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed, and (ii) there is no outstanding statute, regulation, demand or order, in each case which would make the Offer void, unenforceable or illegal or prohibit implementation of the Offer or which would impose any material conditions, limitations or obligations with respect to the Offer.

The Offeror reserves the right to waive, in whole or in part, Conditions set out in (b) and (c) above. The Condition set out in (a) above cannot be waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Offer if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Offer.

As at the date of this announcement, the Offeror and the Company are not aware of any circumstances which may result in the Condition set out in (c) above not being satisfied.

Shareholders of, and/or potential investors in, the Company should note that, as the making of the Offer is subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, the Offer may or may not be made. Further, completion of the Offer is subject to the Conditions being satisfied or, if capable of being waived, waived and therefore the Offer may or may not become unconditional and may or may not be completed. Accordingly, the issue of this announcement does not imply that the Offer will be made or will be completed. Shareholders of, and/or potential investors in, the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

IRREVOCABLE UNDERTAKING

Each of Boyce Limited and Capevale Limited (BVI) holds 1,662,050,000 Shares as at the date of this announcement. On 16 June 2021, each of the Undertaking Shareholders and the Undertaking Parties gave the Irrevocable Undertaking in favour of the Offeror.

Pursuant to the Irrevocable Undertaking, each of Boyce Limited and Capevale Limited (BVI) has irrevocably undertaken to the Offeror to accept the Offer in respect of 1,428,071,000 Shares, representing an aggregate of 2,856,142,000 Shares and approximately 54.93% of the issued share capital of the Company as at the date of this announcement, after the fifth Business Day after the dispatch of the Composite Document and in any event before 4:00 p.m. on the tenth Business Day after the dispatch of the Composite Document. Upon the completion of the transfer of 2,856,142,000 Shares subject to the Irrevocable Undertaking to the Offeror, each of Boyce Limited and Capevale Limited (BVI) will retain 233,979,000 Shares and together will retain 467,958,000 Shares, representing approximately 9.00% of the total issued share capital of the Company as at the date of this announcement.

Each of Boyce Limited and Capevale Limited (BVI) is wholly-owned by Capevale Limited (Cayman) which in turn is wholly-owned by Cititrust Private Trust (Cayman) Limited, in its capacity as trustee and which holds the interests in the Shares held by each of Boyce Limited and Capevale Limited (BVI) on trust for the beneficiaries of the Trust, being the Undertaking Shareholders and their children. Pursuant to the Irrevocable Undertaking: (i) each of the Undertaking Shareholders has irrevocably undertaken that he/she shall not take any action (or omit to take any action) that would (directly or indirectly) prevent Boyce Limited and Capevale Limited (BVI) to comply with the irrevocable undertakings set out above; and (ii) Cititrust Private Trust (Cayman) Limited and Capevale Limited (Cayman) has irrevocably undertaken to procure each of Boyce Limited and Capevale Limited (BVI) to comply with the irrevocable undertakings set out above.

Termination

The Undertaking Shareholders and the Undertaking Parties may terminate the Irrevocable Undertaking if: (a) the Pre-Conditions are not satisfied or, if capable of being waived, waived on or before the Long Stop Date; (b) the Offeror fails to publish this announcement within five Business Days of the date of the Irrevocable Undertaking (or such later date as the Offeror and the Undertaking Shareholders and the Undertaking Parties may agree in writing); (c) the Offeror fails to despatch the Composite Document within the period required under the Takeovers Code (or such longer period as may be approved by the Executive); (d) the Offer is otherwise not made by the Offeror; or (e) the Offer lapses or is withdrawn.

Pre-completion Undertakings

Until the close, lapse or withdrawal of the Offer, each of the Undertaking Parties has undertaken to the Offeror that it shall not:

- (a) sell, transfer, charge, encumber, grant any option over (or cause the same to be done) or otherwise dispose of any of his/her/its respective interest in Shares (other than to the Offeror);
- (b) acquire, directly or indirectly, any additional Shares, securities or other interests of the Company; or
- (c) take any action or enter into any agreement or arrangement, including (where applicable) through his/her representation on the Board (and whether or not legally binding or subject to any condition or which is to take effect after the Offer closes or lapses) which, in relation to their respective interests in Shares, would or might restrict or impede Boyce Limited or Capevale Limited (BVI) accepting the Offer.

Other Pre-completion Undertakings

Pursuant to the Irrevocable Undertaking, each of the Undertaking Shareholders has given certain pre-completion undertakings in favour of the Offeror for the period from the date of the Irrevocable Undertaking until his/her resignation as Director on the day immediately after the Closing Date that, except otherwise agreed in writing by the Offeror, he/she shall not exercise his/her indirect voting rights (if any) in the general meeting of any member of the Group or exercise his/her power or authority as a member of the board of directors of any member of the Group to support the approval of the following matters:

- (i) the taking of any step or action which would result in a breach of Rule 4 and General Principle 9 of the Takeovers Code;

- (ii) the declaration, making or payment of any dividend or other distribution to its shareholders;
- (iii) any change to the share capital of the Company, any material change to the share capital of any other member of the Group, or any merger, spin-off or acquisition of any new member of the Group;
- (iv) other than in the ordinary and usual course of the Group's business consistent with past practice, the entering into of any new material contract, or renewing or amending the terms and conditions of any existing material contract or waiving or assigning any material rights thereunder;
- (v) the entering into of any guarantee, indemnity or other agreement to secure any obligation of a third party (other than a member of the Group) or the creation of any encumbrance over any of its assets or undertaking other than any guarantee, indemnity or encumbrance which are put in place in the ordinary and usual course of its business consistent with past practice or are in place as at the date of the Irrevocable Undertaking;
- (vi) incurring any additional indebtedness (save for (i) indebtedness incurred in the ordinary and usual course of the Group's business consistent with past practice, or (ii) any re-financing of existing indebtedness of the same amount as any such existing indebtedness);
- (vii) the acquisition or disposal of any land or real properties (other than the disposal of strata units in the ordinary and usual course of business of the Group consistent with past practice) or change the existing usage of the Group's real properties (including the entering into of any contract or arrangement for that purpose); and
- (viii) the entering into of any transaction which would constitute a notifiable transaction under the Listing Rules or trigger any announcement obligation under any of Rule 13.13 to 13.19 of the Listing Rules.

No withdrawal

Each of Boyce Limited and Capevale Limited (BVI) has irrevocably undertaken to the Offeror that it shall not withdraw any acceptance of the Offer in respect of their respective Shares. Pursuant to the Irrevocable Undertaking: (i) each of the Undertaking Shareholders has undertaken he/she shall not take any action (or omit to take any action) that would cause each of Boyce Limited and Capevale Limited (BVI) to withdraw any acceptance of the Offer in respect of their respective Shares; and (ii) Cititrust Private Trust (Cayman) Limited and Capevale Limited (Cayman) has undertaken to procure that each of Boyce Limited and Capevale Limited (BVI) shall not withdraw any acceptance of the Offer in respect of their respective Shares.

VALUE OF THE OFFER

As at the date of this announcement, there are 5,199,524,031 Shares in issue. There are no other outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this announcement. Assuming that the Offer is accepted in full (save for the 467,958,000 Shares in aggregate to be retained by Boyce Limited and Capevale Limited (BVI)) at the Offer Price of HK\$5.00 per Share, the maximum cash consideration for the Offer is approximately HK\$23,657,830,155.00.

CONFIRMATION OF FINANCIAL RESOURCES

The Offeror intends to finance the consideration payable by the Offeror under the Offer and the buyer's ad valorem stamp duty for the Offer Shares with equity commitments from the Participating Funds. Each of the Participating Funds which is managed by Blackstone is ultimately controlled by The Blackstone Group Inc.

Goldman Sachs, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer (save for the 467,958,000 Shares in aggregate to be retained by Boyce Limited and Capevale Limited (BVI)).

INFORMATION ON THE OFFEROR AND ITS HOLDING COMPANIES

The Offeror is a company incorporated in the Cayman Islands on 12 March 2020 with limited liability. As at the date of this announcement, the Offeror is wholly-owned by Two Cities Master Holdings I Limited, a company incorporated under the laws of the Cayman Islands. Two Cities Master Holdings I Limited is owned as to approximately 0.26%, 0.51% and 99.23% by BREP Asia II Two Cities SBS Limited, BREP IX Two Cities SBS Limited and BREP Asia II Holdings IV Pte. Limited, respectively. BREP Asia II Holdings IV Pte. Limited is 100% owned by BREP Asia II Holdings IV L.P., which is a fund invested by the Participating Funds (other than Blackstone Real Estate Holdings Asia II – ESC L.P. and Blackstone Real Estate Holdings (Offshore) IX – ESC L.P.).

The key Participating Funds are Blackstone Real Estate Partners Asia II L.P. and Blackstone Real Estate Partners (Offshore) IX L.P.. Blackstone Real Estate Partners Asia II L.P. together with certain of the other Participating Funds that constitute the fund commonly known as Blackstone Real Estate Partners Asia II has approximately US\$7 billion in investor capital commitments, and Blackstone Real Estate Partners (Offshore) IX L.P. together with certain of the other Participating Funds that constitute the fund commonly known as Blackstone Real Estate Partners IX has approximately US\$20 billion in investor capital commitments. BREP Asia II Two Cities SBS Limited is 100% owned by one of the Participating Funds (namely, Blackstone Real Estate Holdings Asia II – ESC L.P.) and BREP IX Two Cities SBS Limited is 100% owned by another Participating Fund (namely, Blackstone Real Estate Holdings (Offshore) IX – ESC L.P.). Each of the Participating Funds which is managed by Blackstone is ultimately controlled by The Blackstone Group Inc.

The Blackstone Group Inc. is a global leader in real estate investing. The real estate business of The Blackstone Group Inc. was founded in 1991 and has approximately US\$196 billion in investor capital under management as at 31 March 2021. The real estate portfolio of The Blackstone Group Inc. includes hotel, office, retail, industrial and residential properties in the United States, Europe, Asia and Latin America. The Blackstone Group Inc. also operates one of the leading real estate finance platforms, including management of the publicly traded Blackstone Mortgage Trust.

Further information and the latest financial statements of The Blackstone Group Inc. are contained on Blackstone’s website and are available at <https://ir.blackstone.com/overview/default.aspx>.

INFORMATION ON THE GROUP

The Company was incorporated in Cayman Islands on 5 March 2002 as an exempted company with limited liability.

The Company was listed on the Main Board of the Stock Exchange on 8 October 2007, trading under the stock code 410.

Principal activities

The Group is principally engaged in property development, property leasing and property management business.

Financial Information

Set out below is a summary of the financial information of the Group extracted from the annual reports of the Company for the three years ended 31 December 2020, 31 December 2019 and 31 December 2018.

	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2018
	(audited)	(audited)	(audited)
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	2,191,637	1,847,091	1,720,860
Profit before income tax	1,600,066	1,919,195	2,957,422
Profit for the year	543,466	1,320,026	1,948,648

	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
	(audited)	(audited)	(audited)
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Total assets	70,704,235	69,729,016	70,099,045
Total liabilities	33,157,222	32,612,877	34,305,608
Net assets	37,547,013	37,116,139	35,793,437

Shareholding Structure of the Company

The shareholding structure of the Company (a) as at the date of this announcement and (b) following the completion of the Offer (for illustration purposes only and assuming only Boyce Limited and Capevale Limited (BVI) tender their acceptances in respect of an aggregate of 2,856,142,000 Shares under the Offer) is as follows:

	As at the date of this announcement		Following completion of the Offer (assuming only Boyce Limited and Capevale Limited (BVI) tender their acceptances in respect of an aggregate of 2,856,142,000 Shares for the Offer)	
	No. of Shares	%	No. of Shares	%
Boyce Limited (Note 1)	1,662,050,000	31.97	233,979,000	4.50
Capevale Limited (BVI) (Note 1)	<u>1,662,050,000</u>	<u>31.97</u>	<u>233,979,000</u>	<u>4.50</u>
Offeror and parties acting in concert with it (Note 2)	0	0.00	2,856,142,000	54.93
Public Shareholders	<u>1,875,424,031</u>	<u>36.07</u>	<u>1,875,424,031</u>	<u>36.07</u>
	<u>5,199,524,031</u>	<u>100.00</u>	<u>5,199,524,031</u>	<u>100.00</u>

Note 1: Each of Boyce Limited and Capevale Limited (BVI) is wholly-owned by Capevale Limited (Cayman) which in turn is wholly-owned by Cititrust Private Trust (Cayman) Limited, in its capacity as trustee and which holds the interests in the Shares held by each of Boyce Limited and Capevale Limited (BVI) on trust for the beneficiaries of the Trust, being the Undertaking Shareholders and their children.

Note 2: Goldman Sachs and entities controlling, controlled by or under the same control as Goldman Sachs (except those entities in the capacity of an exempt principal trader), which are presumed to be acting in concert with the Offeror, do not hold any Shares as at the date of this announcement. Details of the holdings or borrowings of, and dealings in, Shares (or options or derivatives in respect of securities of the Company) held by or entered into by those entities of the Goldman Sachs group (except by exempt principal traders or exempt fund managers or on behalf of non-discretionary investment clients) will be obtained as soon as possible after the date of this announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made if such holdings and borrowings are significant. The holdings and dealings of those entities of the Goldman Sachs group will be disclosed in the Composite Document.

REASONS FOR AND BENEFITS OF THE OFFER

Blackstone is a global leader in real estate investing, and has been investing in office, retail and logistics assets in China since 2008. Blackstone has been an active investor in Chinese properties in the past decade, and currently owns approximately 6 million square meters of properties in China. Confident about China's long-term economic prospects and the Beijing and Shanghai office market, Blackstone seeks to expand in China through its investment in SOHO China.

SOHO China was founded in 1995, and currently holds and operates 1.3 million square meters of commercial properties in China. The Offer provides an opportunity for Blackstone to invest in a high-quality company with an iconic portfolio of commercial properties in Beijing and Shanghai and a world-class management team.

Upon completion of the Offer, the Undertaking Shareholders and the Undertaking Parties will collectively retain an approximately 9.0% interest in the Company. As the second largest shareholder in the Company, the Undertaking Shareholders and the Undertaking Parties are committed to continue leveraging their resources to advise and enhance the Group's business.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to maintain the existing principal businesses and management of the Group, and, where appropriate, leverage the Group's resources to expand in China. Following completion of the Offer, the Offeror intends to undertake a detailed strategic review on the Group for the purpose of formulating business plans and strategies for the future business development of the Group and determining what steps that should be appropriate or desirable in order to optimize and rationalize the business activities and assets portfolio of the Group.

Saved as disclosed in the section headed "Proposed Changes to Composition of the Board of the Company" below, the Offeror has no current intention to introduce any significant changes to the management of the Company, or to discontinue the employment of any employee as a result of the completion of the Offer.

INTENTION OF THE DIRECTORS

Assuming the Offer is to be implemented, it is the current intention of the existing Directors for the period between the date of this announcement up to the Closing Date that (i) they will continue the business of the Group; (ii) they will not make major changes to the business of the Group or to dispose of or re-deploy the assets of the Group other than in its ordinary and usual course of business; and (iii) they will continue to employ the existing number of employees of the Group other than the usual turnover of employees during the ordinary and usual course of business of the Group.

PROPOSED CHANGES TO COMPOSITION OF THE BOARD OF THE COMPANY

The Board currently consists of five Directors, comprising (i) the Undertaking Shareholders as executive Directors; and (ii) Mr. Sun Qiang Chang, Mr. Xiong Ming Hua and Mr. Huang Jingsheng as independent non-executive Directors. Assuming the Offer is to be implemented, it is the current intention of the Undertaking Shareholders that following the close of the Offer, the Undertaking Shareholders will resign from the Board with effect from the day immediately after the Closing Date. After such resignation, the holdings of each of Boyce Limited and Capevale Limited (BVI) will constitute part of the public float.

The Offeror intends to nominate new executive Directors to the Board with effect from a date no earlier than the date of the Composite Document or at a date as permitted under the Takeovers Code.

Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company. Further announcements will be made as and when appropriate.

LISTING STATUS OF THE COMPANY

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares and intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. According to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In connection with the foregoing, it should be noted that upon the close of the Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained, and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after close of the Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Sun Qiang Chang, Mr. Xiong Ming Hua and Mr. Huang Jingsheng, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. A further announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

FURTHER TERMS OF THE OFFER

Acceptance of Offer

Subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, the Offer will be made on the basis that acceptance of the Offer by any person will constitute a warranty by such person or persons to the Offeror that the Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date.

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the stamp duty on behalf of accepting Shareholders in connection with the acceptance of the Offer and the transfer of the Shares. With effect from 1 August 2021, the seller's ad valorem stamp duty will be increased to a rate of 0.13%.

GENERAL MATTERS RELATING TO THE OFFER

Availability of the Offer to overseas Shareholders

The Offeror intends to make the Offer available to all Shareholders, including those with registered addresses outside Hong Kong. However, the availability of the Offer to any persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Shareholders who are not resident in Hong Kong and who wish to accept the Offer should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of the Shareholders who are not resident in Hong Kong and who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Shareholder in respect of such jurisdictions) and, where necessary, consult their own professional advisers.

Acceptance of an Offer by any overseas Shareholder will constitute a representation and warranty by such person to the Offeror and the Company that such person (i) is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, (ii) has observed all the applicable laws and regulations of the relevant jurisdiction in connection with such acceptance, including obtaining any government or other consent which may be required, and (iii) has complied with any other necessary formality and has paid any issue, transfer or other taxes due from such Shareholder in such jurisdiction, and that such acceptance shall be valid and binding in accordance with all applicable laws. Overseas Shareholders are recommended to seek professional advice on whether to accept the Offer.

In the event that the receipt of the Composite Document by any overseas Shareholder is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company), the Composite Document may not be despatched to such overseas Shareholder. For that purpose, the Offeror will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Composite Document to such overseas Shareholder. In granting the waiver, the Executive will be concerned to see that all material information in the Composite Document is made available to such Shareholder. If any such waiver is granted by the Executive and subject to the consent of the Executive, the Offeror and the Company reserve the right to make arrangements in respect of Shareholders who are not resident in Hong Kong in relation to the terms of the Offer. Such arrangements may include notifying any matter in connection with the Offer to the Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given despite any failure by such Shareholders to receive or see that notice.

Tax Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of the Offeror, the Company, the Undertaking Shareholders, the Undertaking Parties, Goldman Sachs or any of their respective directors, officers or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Composite Document

It is the intention of the Offeror and the Company that a Composite Document combining the offer document and the offeree board circular will be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the requirements of the Takeovers Code and the Listing Rules.

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company should normally despatch the Composite Document within 21 days of the date of this announcement. As the making of the Offer by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror will make an application to the Executive for consent to extend the deadline for the despatch of the Composite Document to within seven days of the satisfaction or, if capable of being waived, waiver of the Pre-Conditions.

The Composite Document will contain, among other things, details of the Offer (accompanying therewith the acceptance and transfer form) and incorporate the letter of recommendation from the Independent Board Committee, the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.

Settlement of consideration

Settlement of consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven Business Days of: (i) the Unconditional Date; or (ii) the date of receipt of a complete and valid acceptance in respect of the Offer, whichever is the later.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

No dividend or other distribution

As at the date of this announcement, the Company does not have outstanding dividends which have been declared but not yet paid and the Company does not intend to declare or pay any dividend or other distribution on the Shares before the Closing Date. If, after the date of this announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in this announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Close of the Offer

The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). As each of Boyce Limited and Capevale Limited (BVI) has irrevocably undertaken to accept the Offer in respect of an aggregate of 2,856,142,000 Shares, representing approximately 54.93% of the issued share capital of the Company as at the date of this announcement, after the fifth Business Day after the dispatch of the Composite Document and in any event before 4:00 p.m. on the tenth Business Day after the dispatch of the Composite Document, it is expected that the Offer will become unconditional as to acceptances on or before the tenth Business Day after the dispatch of the Composite Document.

If all the Conditions are satisfied or, if capable of being waived, waived, Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

Other arrangements

As at the date of this announcement:

- (a) save as disclosed in the section headed “Irrevocable Undertaking” in this announcement, the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept the Offer;
- (b) the Offeror or parties acting in concert with it do not hold any convertible securities, warrants or options in respect of voting rights and rights over the Shares;
- (c) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or parties acting in concert with it;
- (d) save for the Pre-Conditions and the Conditions, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (e) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition (including any Pre-Conditions) or a condition (including any Conditions) to the Offer;
- (f) the Offeror and parties acting in concert with it do not own or control or have direction over any voting rights or rights over the Shares;

- (g) the Offeror and parties acting in concert with it have not borrowed or lent any relevant securities in the Company;
- (h) save for the Offer Price, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or parties acting in concert with it to any Shareholder in connection with the Offer; and
- (i) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between: (i) any Shareholder; and (ii)(a) the Offeror or parties acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

DEALINGS DISCLOSURE

Under Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code, including but not limited to persons who own or control 5% or more of any class of relevant securities of the Company) of the Company and of the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code during the offer period commencing on 16 June 2021, being the date of this announcement.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 June 2021 pending the release of this announcement.

Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 June 2021.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Blackstone”	The Blackstone Group Inc. and its affiliates
“Board”	the board of Directors
“Boyce Limited”	a company incorporated in the British Virgin Islands with limited liability and a Shareholder of the Company, holding 1,662,050,000 Shares as at the date of this announcement
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Capevale Limited (BVI)”	a company incorporated in the British Virgin Islands with limited liability and a Shareholder of the Company, holding 1,662,050,000 Shares as at the date of this announcement
“Capevale Limited (Cayman)”	a company incorporated in the Cayman Islands with limited liability and the sole shareholder of Boyce Limited and Capevale Limited (BVI)
“Cititrust Private Trust (Cayman) Limited”	a company incorporated in the Cayman Islands with limited liability and the trustee of the Trust
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer or any subsequent closing date as and may be announced by the Offeror and approved by the Executive

“Company”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 410)
“Composite Document”	the composite offer and response document proposed to be jointly issued by the Offeror and the Company to all Shareholders in accordance with the Takeovers Code and the Listing Rules containing, among other things, the terms and conditions of the Offer, the acceptance and transfer form in respect of the Offer
“Conditions”	the conditions of the Offer, as set out in the paragraph headed “Conditions of the Offer” in this announcement
“Director(s)”	director(s) of the Company
“Encumbrance”	any claim, charge, mortgage, security, lien, pledge, option, equity, power of sale, hypothecation, retention of title, leasing, sale-and-repurchase, sale-and-leaseback arrangement, right of pre-emption, deferred purchase, right of first refusal, priority or security interest of any kind or any other third party rights of any nature or any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the financial adviser to the Offeror in relation to the Offer
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board, comprising Mr. Sun Qiang Chang, Mr. Xiong Ming Hua and Mr. Huang Jingsheng, being all the independent non-executive Directors, which has been established to advise the Independent Shareholders on the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Independent Board Committee
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Irrevocable Undertaking”	the irrevocable undertakings dated 16 June 2021 given by the Undertaking Shareholders and the Undertaking Parties in favour of the Offeror
“Last Trading Day”	11 June 2021, being the last trading day of the Shares prior to the trading halt of the Shares on the Stock Exchange pending the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 December 2021 (or any later date as the Offeror may agree with the Undertaking Shareholders and the Undertaking Parties)
“Material Adverse Change”	<p>any fact, matter or event which materially and adversely affects the business, operations, assets, liabilities or condition of the Group, taken as a whole, which is particular to the Group and which effect is reasonably expected to continue to materially and adversely affect the Group beyond 30 June 2022, but excluding any of the foregoing arising out of, resulting from or attributable to:</p> <ul style="list-style-type: none"> (a) changes in general conditions in the industries in which the Group operates; (b) changes in political, economic, financial, tax, regulatory, market or general conditions, including changes in stock markets, interest rates, exchange rates or tariffs or changes in the prices of securities, raw materials or commodities;

- (c) acts of civil unrest, civil disobedience, riots, looting, war, hostilities, military activity, terrorism, sabotage, cyberterrorism, cybercrime, data loss, data breach, sanction, embargo or other calamity or crisis (or any escalation or worsening of them);
- (d) epidemics, pandemics, earthquakes, floods, tsunamis, hurricanes, volcanos, fires, tornadoes, weather conditions or other natural or manmade disasters;
- (e) changes in law, tax, regulation, government policy, accounting standards or practices, or changes in the interpretation or enforcement of them;
- (f) the Offer, the announcement of the Offer or the change in control of the Company resulting from the Offer; and
- (g) events or circumstances which have been fully disclosed in writing to the Offeror before the date of the Irrevocable Undertaking

“Offer”	subject to the satisfaction or waiver of the Pre-conditions, the voluntary conditional cash offer to be made by Goldman Sachs on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) on the terms and conditions set out in the Composite Document
“Offer Period”	has the meaning ascribed to it in the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$5.00 per Share
“Offer Shares”	the Shares which are subject to the Offer
“Offeror”	Two Cities Master Holdings II Limited, a company incorporated in the Cayman Islands with limited liability

“Participating Funds”	(i) Blackstone Real Estate Partners Asia II L.P.; (ii) Blackstone Real Estate Partners Asia II (Lux) SCSp; (iii) Blackstone Real Estate Partners (Offshore) IX L.P.; (iv) Blackstone Real Estate Partners (Offshore) IX.TE-F (AIV) L.P.; (v) Blackstone Real Estate Partners IX (Offshore) (Lux) SCSp; (vi) Blackstone Real Estate Partners IX (Offshore) (Trust) L.L.C.; (vii) Blackstone Family Real Estate Partnership (Offshore) IX-SMD L.P.; (viii) BTAS NQ Holdings L.L.C.; (ix) Blackstone Family Real Estate Partnership Asia II-SMD L.P.; (x) Blackstone Real Estate Holdings Asia II-ESC L.P.; and (xi) Blackstone Real Estate Holdings (Offshore) IX-ESC L.P.
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Anti-Monopoly Law”	the Anti-Monopoly Law of the PRC adopted by the Standing Committee of the National People’s Congress of China on 30 August 2017 and effective on 1 August 2018
“Pre-Conditions”	the pre-conditions to the making of the Offer as set out under the section headed “Pre-Conditions to the Offer” in this announcement
“Relevant Authorities”	any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution
“relevant securities”	has the meaning as defined in Note 4 to Rule 22 of the Takeovers Code
“SAMR”	the State Administration for Market Regulation of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust”	the Little Brothers Settlement, a trust whose trustee is Cititrust Private Trust (Cayman) Limited and whose beneficiaries are the Undertaking Shareholders and their children
“Unconditional Date”	the date on which the Offer becomes or is declared unconditional in all respects
“Undertaking Parties”	Cititrust Private Trust (Cayman) Limited, Capevale Limited (Cayman), Boyce Limited and Capevale Limited (BVI)
“Undertaking Shareholders”	Mr. Pan Shiyi and Mrs. Pan Zhang Xin, Marita
“%”	per cent.

By order of the board of
TWO CITIES MASTER HOLDINGS II
LIMITED
Anthony Beovich
Director

By order of the board of
SOHO CHINA LIMITED
Pan Shiyi
Chairman

Hong Kong, 16 June 2021

As at the date of this announcement, the executive Directors are Mr. Pan Shiyi and Mrs. Pan Zhang Xin, Marita; and the independent non-executive Directors are Mr. Sun Qiang Chang, Mr. Xiong Ming Hua and Mr. Huang Jingsheng.

As at the date of this announcement, the directors of the Offeror are Mr. Anthony Beovich and Mr. Paul Quinlan.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group, the Undertaking Shareholders and the Undertaking Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror, parties acting in concert with the Offeror, Blackstone and the Participating Funds), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

Company website: www.sohochina.com