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Longfor Properties Co. Ltd.

龍湖地產有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 960)

DISCLOSEABLE TRANSACTION

THE ACQUISITION

On 23 December 2016, Chongqing Longhu Properties Company Limited, an indirect wholly owned subsidiary of the Company, succeeded in the bid for the Land in Chongqing at the Auction at an aggregate price of RMB4,220,000,000 (equivalent to approximately HK\$4,713,740,000).

As the relevant applicable percentage ratios exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Details of the Acquisition are set out below:

Date of the Auction Confirmation Letter

23 December 2016

Parties

- Purchaser : Chongqing Longhu Properties Company Limited, an indirect wholly owned subsidiary of the Company
- Vendor : Chongqing Assets and Equity Exchange Group Limited (重慶聯合產權交易所集團股份有限公司), a PRC Governmental Bureau in charge of management of the land resources in Chongqing, the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Chongqing Assets and Equity Exchange Group Limited is a third party independent of the Company and its connected persons

Subject matter

The Land to be acquired by Chongqing Longhu Properties Company Limited is situated at Lot A37-4/05, A40-1/05, A40-4/05, A49-5/05 (East Part), A57-2/05, A58-1/05, Lijia District, Liangjiang Xinqu, Chongqing Province, PRC, with a total site area of 221,522 square meters and a total gross floor area of 567,430 square meters.

The Land shall be used for the development of an integrated project consisting of residential and commercial properties.

Consideration and payment terms

The consideration for the Land is RMB4,220,000,000 (equivalent to approximately HK\$4,713,740,000), and the consideration of the Land was determined through a public auction process. An aggregate deposit of RMB1,034,860,000 (equivalent to approximately HK\$1,155,938,620) has been paid by Chongqing Longhu Properties Company Limited for the Land. The remaining balance shall be settled in accordance with the Land Use Right Transfer Agreement (國有建設用地使用權出讓合同).

The total consideration will be satisfied by the internal resources of the Company.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the property development, property investment and property management businesses in the PRC and the Acquisition is considered by the Company to be in its ordinary and usual course of business.

In order to enhance its position in the PRC property market, the Board believes that the Acquisition provides an excellent investment opportunity and further strengthens the Group's established presence in the property market in Chongqing. The Directors consider the Acquisition has been made on normal commercial terms and that such terms are fair and reasonable and that the Acquisition is in the interest of the Company and its Shareholders as a whole.

GENERAL

As the relevant applicable percentage ratios exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of land use rights of the Land through public auction process at the Auction
“Auction”	the public auction held by Chongqing Assets and Equity Exchange Group Limited on 23 December 2016 at which the Land was offered for sale
“Auction Confirmation Letter”	the legally binding letter dated 23 December 2016 entered into between Chongqing Assets and Equity Exchange Group Limited and Chongqing Longhu Properties Company Limited confirming the terms of the successful bidding at the Auction
“Board”	the board of Directors
“Company”	Longfor Properties Co. Ltd., a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Chongqing Longhu Properties Company Limited”	Chongqing Longhu Properties Company Limited (重慶龍湖地產發展有限公司), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company
“Land”	Lot A37-4/05, A40-1/05, A40-4/05, A49-5/05 (East Part), A57-2/05, A58-1/05, Lijia District, Liangjiang Xinqu, Chongqing Province, PRC (中國重慶市兩江新區禮嘉組團A標準分區A37-4/05、A40-1/05、A40-4/05、A49-5/05 (東側部分)、A57-2/05、A58-1/05號宗地)
“Land Use Right Transfer Agreement”	Land Use Right Transfer Agreement (國有建設用地使用權出讓合同) to be entered into between Chongqing Assets and Equity Exchange Group limited and Chongqing Longhu Properties Company Limited pursuant to the Auction Confirmation Letter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For the purpose of this announcement, the exchange rates of RMB1.00 to HK\$1.1170 has been used for currency translation, where applicable. Such exchange rates are for illustration purposes only and do not constitute representations that any amount in HK\$ or RMB have been, could have been or may be converted at such rates.

By Order of the Board
Longfor Properties Co. Ltd.
Wu Yajun
Chairperson

Hong Kong, 23 December 2016

As at the date of this announcement, the Board comprises eight members: Madam Wu Yajun, Mr. Shao Mingxiao, Mr. Zhao Yi and Mr. Li Chaojiang who are executive Directors; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Zeng Ming who are independent non-executive Directors.