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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 2010, Longfor Chongqing, an indirect 91.3% owned subsidiary of the Company, succeeded in the bid for the Land in Beijing at an aggregate price of RMB3,480.89 million (equivalent to approximately HK\$4,075.98 million).

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 23 December 2010, Longfor Chongqing, an indirect 91.3% owned subsidiary of the Company, succeeded in the bid for the Land in Beijing at an aggregate price of RMB3,480.89 million (equivalent to approximately HK\$4,075.98 million). Details of the Acquisition are set out below:

Date of the Confirmation Letter and the Land Use Right Transfer Agreement

23 December 2010

Parties

Purchaser : Longfor Chongqing, an indirect 91.3% owned subsidiary of the Company

Vendor : Beijing Municipal Land Bureau, a PRC Governmental Bureau in charge of management of the land resources in Beijing, the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Beijing Municipal Land Bureau is a third party independent of the Company and its connected persons

Subject matter

The Land to be acquired by Longfor Chongqing comprises two plots of land which have an approximate total site area of 165,300 square meters and an approximate total building floor area of 463,000 square meters, and is located at Plots 0505-53 and 0505-062, Nos. 6 and 7 of Eastern Ancillary to Biopharmaceutical Base, Daxing District, Beijing, the PRC (中國北京市大興區生物醫藥基地東配套6號及7號0505-053、0505-062地塊).

The Land shall be used for residential and commercial purposes.

Consideration and payment terms

The consideration for the Land is RMB3,480.89 million (equivalent to approximately HK\$4,075.98 million), and the consideration of the Land was determined after a public bidding process. A deposit of RMB415 million (equivalent to approximately HK\$485.95 million) has been paid by Longfor Chongqing and the remaining balance shall be settled in accordance with the Land Use Right Transfer Agreement. The Land Use Right Transfer Agreement was executed on 23 December 2010. Longfor Chongqing will pay the remaining consideration within 7 business days after the date of the Land Use Right Transfer Agreement.

The total consideration is satisfied by the internal resources of the Company.

Longfor Chongqing intends to develop the Land as a combined residential and commercial area.

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 will provide a good opportunity for development in Beijing. The Directors (including the independent non-executive 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

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 bidding process
“Beijing Municipal Land Bureau”	北京市國土資源局 (Beijing Municipal Bureau of Land and Resources), a PRC Government Bureau
“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
“Confirmation Letter”	the legally binding letter dated 23 December 2010 entered into between Beijing Municipal Land Bureau and Longfor Chongqing confirming the terms of the successful bidding for the Land
“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
“Land”	two plots of land which have an approximate total site area of 165,300 square meters and an approximate total building floor area of 463,000 square meters, and are located at Plots 0505-53 and 0505-062, Nos. 6 and 7 of Eastern Ancillary to Biopharmaceutical Base, Daxing District, Beijing, the PRC (中國北京市大興區生物醫藥基地東配套6號及7號0505-053、0505-062地塊)
“Land Use Right Transfer Agreement”	Land Use Right Transfer Agreement (國有土地使用權出讓合同) entered into between Beijing Municipal Land Bureau and Longfor Chongqing on 23 December 2010 pursuant to the Confirmation Letter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longfor Chongqing”	Longfor Chongqing Properties Development Co. Ltd. (重慶龍湖地產發展有限公司), a limited liability company established in the PRC and an indirect 91.3% owned subsidiary of the Company
“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 HK\$1.00 to RMB0.854 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, 24 December, 2010

As at the date of this announcement, the Company’s directors are Madam Wu Yajun, Mr. Fang Shengtao, Mr. Chen Kai, Mr. Qin Lihong, Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek* and Dr. Xiang Bing*.*

** Independent non-executive director*