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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 22 January 2010, Chongqing Longhu Development, an indirect 91.3% owned subsidiary of the Company, and Juntion Development, an indirect wholly-owned subsidiary of the Company, succeeded in the bid for the Lands in Changzhou at the Auction at an aggregate price of RMB2.285 billion (equivalent to approximately HK\$2.597 billion).

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

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Date of the Auction Confirmation Letters

22 January 2010

Parties

- Successful Bidder : Chongqing Longhu Development, an indirect 91.3% owned subsidiary of the Company, together with Juntion Development, an indirect wholly-owned subsidiary of the Company
- Auctioneer : Changzhou Land Bureau, a PRC Governmental Bureau in charge of management of the land resources in Changzhou, Jiangsu Province, the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Changzhou Land Bureau is a third party independent of the Company and its connected persons

Subject matter

The Lands acquired by Chongqing Longhu Development and Juntion Development pursuant to the Auction Confirmation Letters comprise:

- (i) the First Land, having a total site area of 199,964 square meters and located at Land Plot No.1 adjacent to the southern boundary of Zhonghua Konglongyuan, Changzhou, Jiangsu Province, the PRC (中國江蘇省常州市中華恐龍園南側1號地塊); and
- (i) the Second Land, having a total site area of 184,756 square meters and located at Land Plot No.2 adjacent to the southern boundary of Zhonghua Konglongyuan, Changzhou, Jiangsu Province, the PRC (中國江蘇省常州市中華恐龍園南側2號地塊).

The Lands shall be used for residential and commercial purposes.

Consideration and payment terms

The considerations for the First Land and the Second Land are RMB1 billion and RMB1.285 billion, respectively (equivalent to approximately HK\$1.136 billion and HK\$1.460 billion, respectively), and the consideration of each of the First Land and the Second Land was determined after a public bidding process. Deposits of US\$50 million and RMB530 million (equivalent to approximately HK\$390 million and HK\$602.27 million) have been paid by Juntion Development and Chongqing Longhu Development, respectively, and the remaining balances shall be settled upon signing of the Land Use Right Transfer Agreements prior to 10 March 2010.

The total consideration will be satisfied partly by the internal resources of the Company and partly by the application of the proceeds raised by the Company in its global offering in November 2009.

Chongqing Longhu Development and Juntion Development will form a specific project company, which will be owned by Chongqing Longhu Development and Juntion Development as to 51% and 49%, respectively, to develop the Lands to a 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 project development in Changzhou. 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:

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| “Acquisition” | the acquisition of land use rights of the Lands through public bidding process at the Auction |
| “Auction” | the public auction held by Changzhou Land Bureau on 22 January 2010 at which the Lands were offered for sale |
| “Auction Confirmation Letters” | the legally binding letters dated 22 January 2010 entered into between Changzhou Land Bureau, Chongqing Longhu Development and Juntion Development confirming the terms of the successful biddings at the Auction |

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| “Board” | the board of Directors |
| “Changzhou Land Bureau” | 常州市國土資源局新北分局 (Changzhou Bureau of Land and Resources, Xinbei Branch), a PRC Government Bureau |
| “Chongqing Longhu Development” | Chongqing Longhu Development Co. Ltd. (重慶龍湖企業拓展有限公司), a sino-foreign equity joint venture established in the PRC with limited liability and owned as to 91.3% by Juntion Development and 8.7% by Chongqing Xuke |
| “Chongqing Xuke” | Chongqing Xuke Investment Co., Ltd. (重慶旭科投資有限公司), a PRC domestic limited liability company owned as to 63% by Madam Wu Yajun, the Chairperson of the Company, and as to 37% by Mr. Cai Kui, the spouse of Madam Wu Yajun, respectively |
| “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 |
| “First Land” | the plot of land having a total area of 199,964 square meters and located at Land Plot No.1 adjacent to the southern boundary of Zhonghua Konglongyuan, Changzhou, Jiangsu Province, the PRC (中國中華恐龍園南側1號地塊) |
| “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 |
| “Juntion Development” | Juntion Development Hong Kong (Holding) Limited (嘉遜發展香港(控股)有限公司), our wholly-owned subsidiary incorporated in Hong Kong |
| “Lands” | the First Land and the Second Land |

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| “Land Use Right Transfer Agreement(s)” | Land Use Right Transfer Agreement(s) (國有土地使用權出讓合同) to be entered into between Changzhou Land Bureau, Chongqing Longhu Development and Juntion Development before 10 March 2010 pursuant to the Auction Confirmation Letter(s) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Second Land” | a plot of land having a total area of 184,756 square meters and located at Land Plot No.2 adjacent to the southern boundary of Zhonghua Konglongyuan, Changzhou, Jiangsu Province, the PRC (中國中華恐龍園南側2號地塊) |
| “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 |
| “US\$” | United States dollars, the lawful currency of the United States of America |

For the purpose of this announcement, the exchange rates of HK\$1.00 to RMB0.88 and HK\$7.80 to US\$1.00 have 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\$, RMB or US\$ 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, 26 January, 2010

As at the date of this announcement, the Company’s directors are Madam Wu Yajun, Mr. Lin Chu Chang, 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*