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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 8 August 2012, Chongqing Henghong, an indirect 91.3% owned subsidiary of the Company and the Independent Third Party succeeded in the bid for the Land No. 1 in Chongqing at the Auction at an aggregate price of RMB3,083.48 million (equivalent to approximately HK\$3,756.60 million). Chongqing Henghong and the Independent Third Party will form a specific project company for the development of the Land No.1. The project company will be owned by Chongqing Henghong and the Independent Third Party as to 91% and 9% respectively. On the same date, Treasure State, a wholly-owned subsidiary of the Company succeeded in the bid for the Land No. 2 in Chongqing at the Auction at an aggregate price of RMB1,136.60 million (equivalent to approximately HK\$1,384.72 million).

As the relevant applicable percentage ratio exceed 5% but are less than 25%, the Acquisition constitute 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 Letters

8 August 2012

Parties

For Land No. 1

Purchasers : Chongqing Henghong, an indirect 91.3% owned subsidiary of the Company

Independent Third Party, a property development company

Note: Chongqing Henghong and the Independent Third Party will form a specific project company which will be owned by Chongqing Henghong and the Independent Third Party as to 91% and 9% respectively.

Vendor : Chongqing Land Bureau

For Land No. 2

Purchaser : Treasure State, a wholly-owned subsidiary of the Company

Vendor : Chongqing Land Bureau

Chongqing Land Bureau is 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 Land Bureau is a third party independent of the Company and its connected persons.

Subject matter

- (1) The Land No.1 to be acquired by Chongqing Henghong comprises three zone portions situated at Lijia Central Commercial District, North New District, Chongqing, the PRC (中國重慶市北部新區禮嘉商務核心區), with a total site area of 584,104 square meters and a total gross floor area of 1,404,161 square meters; and

- (2) The Land No.2 to be acquired by Treasure State is a zone portion located at Lijia Central Commercial District, North New District, Chongqing, the PRC (中國重慶市北部新區禮嘉商務核心區), with a total site area of 295,389 square meters and a total gross floor area of 581,174 square meters.

The Lands shall be used for the development of residential complex with various communal and commercial facilities.

Consideration and payment terms

The considerations for the Land No.1 and the Land No. 2 are RMB3,083.48 million (equivalent to approximately HK\$3,756.60 million) and RMB1,136.60 million (equivalent to approximately HK\$1,384.72 million) respectively.

The consideration of the Lands was determined and reached after a public bidding process. An aggregate deposit of RMB844.03 million (equivalent to approximately HK\$1,028.28 million) has been paid and the remaining balance shall be settled in accordance with the Land Use Right Transfer Agreements (國有建設用地使用權出讓合同). Pursuant to the terms of the Auction Confirmation Letters, the Land Use Right Transfer Agreements (國有建設用地使用權出讓合同) for the Lands should be executed before 15 August 2012.

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 (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

As the relevant applicable percentage ratio 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 Lands through public bidding process at the Auction
“Auction”	the public auction held by Chongqing Land Bureau on 7 August 2012 at which the Lands were offered for sale
“Auction Confirmation Letters”	the legally binding letters dated 8 August 2012 made (1) between Chongqing Land Bureau, Chongqing Henghong and the Independent Third Party and (2) between Chongqing Land and Treasure State confirming the terms of the successful bidding at the Auction
“Board”	the board of Directors
“Chongqing Henghong”	重慶恒弘投資有限公司 (Chongqing Henghong Investments Company Limited), a limited liability company established in the PRC and an indirect 91.3% owned subsidiary of the Company
“Chongqing Land Bureau”	重慶市國土和資源管理局 (Chongqing Land and Resources Management Bureau), a PRC Government Bureau
“Company”	Longfor Properties Co. Ltd. (龍湖地產有限公司), 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

“Independent Third Party”	a limited company incorporated in the PRC which together with its ultimate beneficial owner are independent of and not connected with the Company, the Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them
“Land No.1”	the lands to be acquired by Chongqing Henghong comprising three zone portions situated at Lijia Central Commercial District, North New District, Chongqing, the PRC (中國重慶市北部新區禮嘉商務核心區), with a total site area of 584,104 square meters and a total gross floor area of 1,404,161 square meters
“Land No. 2”	the land to be acquired by Treasure State which is a zone portion located at Lijia Central Commercial District, North New District, Chongqing, the PRC (中國重慶市北部新區禮嘉商務核心區), with a total site area of 295,389 square meters and a total gross floor area of 581,174 square meters
“Lands”	Land No.1 and Land No. 2
“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 (1) between Chongqing Land Bureau, Chongqing Henghong and the Independent Third Party and (2) between Chongqing Land and Treasure State, pursuant to the Auction Confirmation Letters
“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 area
“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

“Treasure State”

Treasure State Limited (定邦有限公司), a limited liability company established in Hong Kong and a wholly-owned subsidiary of the Company

For the purpose of this announcement, the exchange rate of RMB1.00 to HK\$1.2183 has been used for currency translation, where applicable. Such exchange rate is 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.

The Chinese name of the entities incorporated in the PRC is the official name and the English name is the translation for identification purpose only.

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

Hong Kong, 9 August 2012

As at the date of this announcement, the Company’s directors are Madam WU Yajun, Mr. SHAO Mingxiao, Mr. ZHOU Dekang, Mr. QIN Lihong, Mr. FENG Jinyi, Mr. WEI Huaning, Mr. Frederick Peter CHURCHOUSE, Mr. CHAN Chi On, Derek*, Mr. XIANG Bing* and Mr. ZENG Ming*.*

** Independent non-executive director*