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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

PROPOSED ISSUANCE OF SENIOR NOTES

The Company proposes to conduct an international offering of senior notes. The completion of the Proposed Notes Issue is subject to market conditions and investor interest. The pricing of the Notes, including the aggregate principal amount, the Offer Price and interest rates, will be determined through a book building exercise conducted by Citi, HSBC, Morgan Stanley and Standard Chartered Bank as joint bookrunners and joint lead managers.

Upon finalization of the terms of the Notes, Citi, HSBC, Morgan Stanley and Standard Chartered Bank and the Company, among others, will enter into the Purchase Agreement and other ancillary documents. The Company expects that a substantial portion of the net proceeds will be used for refinancing, and the remainder for general corporate purpose. The indebtedness so refinanced may include loans that were extended to the Group from one or more of the joint bookrunners or their affiliates thereof. The Company may adjust its development plans in response to changing market conditions and therefore reallocate the use of the proceeds. Pending application of the net proceeds, the Company intends to invest the net proceeds in certain temporary cash investments.

Approval in-principle has been obtained for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, or the Notes. No listing of the Notes has been sought in Hong Kong.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not be completed. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of senior notes. The completion of the Proposed Notes Issue is subject to market conditions and investor interest. The pricing of the proposed Notes, including the aggregate principal amount, the Offer Price and interest rates, will be determined through a book building exercise conducted by Citi, HSBC, Morgan Stanley and Standard Chartered Bank as joint bookrunners and joint lead managers. Upon the finalization of the terms of the Notes, Citi, HSBC, Morgan Stanley and Standard Chartered Bank and the Company, among others, will enter into the Purchase Agreement and other ancillary documents, pursuant to which, Citi, HSBC, Morgan Stanley and Standard Chartered Bank will be the initial purchasers of the Notes.

The Proposed Notes Issue will only be offered to non-U.S. persons outside the United States, in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Reasons for the Proposed Notes Issue

The Group is a national leader in China's real estate market engaged in property development, investment and management across the country with strong presence in Western China, the Pan Bohai Rim and the Yangtze River Delta, and a growing presence in Southern China.

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Listing

Approval in-principle has been obtained for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, or the Notes. No listing of the Notes has been sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not be completed. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

INFORMATION OF THE GROUP

Overview

The Group is a national leader in China's real estate market engaged in property development, investment and management across the country with strong presence in Western China, the Pan Bohai Rim and the Yangtze River Delta, and a growing presence in Southern China.

Recent Developments

The Company presents its recent developments after June 30, 2012 in this Recent Development section.

For the year ended December 31, 2012, the Group achieved contract sales of RMB40.1 billion (US\$6.3 billion) for a total GFA sold of approximately 4.18 million sq.m. The Group ranked first in Chongqing and Yantai, second in Changzhou, seventh in Chengdu and Xi'an, ninth in Qingdao and Hangzhou and tenth in Beijing, respectively, in terms of contract sales for the year ended December 31, 2012*. As of December 31, 2012, the Group had 80 projects in 18 different cities under development or planning with a total land bank of approximately 41.0 million sq.m. in GFA.

The Group expanded its national presence by entering the Central China market in 2013. The Group also succeeded in entering the city of Yixing in the Yangtze River Delta and the city of Quanzhou in Southern China in the second half of 2012. See "Land Acquisitions" below for more details.

In 2012, the Group was included in the top-ten list for "The Top 100 Real Estate Companies in China with Comprehensive Strength" (中國房地產百強企業綜合實力 TOP 10) jointly issued by the Enterprise Institute of the Development Research Center of the State Council, the Real Estate Research Institute of Tsinghua University and the China Index Academy and the top-five list for "The Best Performing Public Companies in the Real Estate Industry in China" (中國房地產上市公司經營績效五強) jointly issued by the China Real Estate Research Association, China Real Estate Industry Association and China Real Estate Appraisal Center.

Land Acquisitions

The Group's land bank includes GFA under development and GFA under planning. The following table summarizes the Group's land bank by city as of December 31, 2012:

CITIES	GFA Under Development and Planning (<i>sq. m.</i>)
Pan Bohai Rim	
Beijing	1,882,196
Shenyang	3,260,620
Qingdao	1,759,118
Yantai	7,777,783
Dalian	<u>858,124</u>
<i>Subtotal</i>	15,537,841
Yangtze River Delta	
Shanghai	668,002
Wuxi	1,384,323
Changzhou	2,377,392
Hangzhou	1,324,100
Ningbo	1,014,717
Shaoxing	400,700
Yixing	<u>312,000</u>
<i>Subtotal</i>	7,481,234
Southern China	
Xiamen	529,890
Quanzhou	<u>1,222,740</u>
<i>Subtotal</i>	1,752,630
Western China	
Chongqing	8,997,505
Chengdu	4,071,165
Xi'an	2,367,987
Yuxi	<u>821,619</u>
<i>Subtotal</i>	16,258,276
Total GFA	<u><u>41,029,981</u></u>

* Source: China Real Estate Information Corporation, or CRIC.

On July 13, 2012, the Group acquired a parcel of land in Chengyang District in north-east of Qingdao, for total consideration of RMB475 million (US\$74.8 million). The total site area is 210,500 sq.m. and the planned total GFA is 302,700 sq.m. The land is planned for residential/commercial mixed use.

On July 14, 2012, the Group acquired a parcel of land in Jinjiang, Quanzhou, which is centrally located and adjacent to the largest park in Quanzhou, for total consideration of RMB2,624 million (US\$413.0 million). The total site area is 461,400 sq.m. and the planned total GFA is 1,220,000 sq.m. The land is planned for construction of a large residential and commercial community.

On July 26, 2012, the Group succeeded in the bid for a parcel of land in Dalian, situated in the core of Dalian Zhongshan District and next to a subway station, for total consideration of RMB1,652 million (US\$260.0 million). The total site area is 62,800 sq.m. and the planned total GFA is 188,400 sq.m. The land is planned for high-end residential and commercial use.

On August 8, 2012, the Group succeeded in the bids for two parcels of land in Chongqing, situated in the core district of Liangjiang New District of Chongqing and next to a subway station, for total consideration of RMB4,220 million (US\$664.3 million). The total site area is 879,000 sq.m. and the planned total GFA is 1,985,000 sq.m. The land is planned for low-density residential/commercial mixed use.

On August 22, 2012, the Group succeeded in the bid for the Dongjiu New Town project in Yixing, Jiangsu for total consideration of RMB1,257 million (US\$197.9 million). The total site area is 309,000 sq.m. and the planned total GFA is 312,000 sq.m. The land is planned for high-end residential use.

On August 27, 2012, the Group acquired a parcel of land in Xidong, Wuxi for total consideration of RMB400 million (US\$63.0 million). The total site area is 123,900 sq.m. and the planned total GFA is 148,700 sq.m. The land is planned for construction of medium- to high-end residential properties.

On August 27, 2012, the Group acquired a parcel of land in Binjiang District, Hangzhou for total consideration of RMB2,352 million (US\$370.2 million). The total site area is 77,300 sq.m. and the planned total GFA is 247,500 sq.m. The land is planned for medium- to high-end high-rise residential buildings.

On September 6, 2012, the Group succeeded in the bid for a parcel of land in Tiexi District, Shenyang for consideration of RMB474 million (US\$74.6 million). The total site area is 81,000 sq.m. and the planned total GFA is 171,000 sq.m.

On September 26, 2012, the Group succeeded in the bid for a parcel of land in Chaoyang District, Beijing for total consideration of RMB1,470 million (US\$231.4 million). The total site area is 66,300 sq.m. and the planned total GFA is 72,900 sq.m. The land is planned for low-density residential use.

On November 23, 2012, the Group succeeded in the bid for a parcel of land located near the International Horticultural Exposition site in Qingdao for total consideration of RMB493 million (US\$105.6 million). The total site area is 272,000 sq.m. and the planned total GFA is 330,000 sq.m. The land is planned for low-density and high-rise residential use.

On January 8, 2013, the Group succeeded in the bid for a parcel of land located near the International Horticultural Exposition site in Changsha, capital city of Hunan province, for total consideration of RMB691 million (US\$109.8 million). The total site area is 307,000 sq.m. and the planned total GFA is 480,000 sq.m. The land is planned for low-density residential and commercial mixed use. The success of this bid signifies the Group's first entry into the Central China market.

On January 9, 2013, the Group succeeded in the bid for a parcel of land in Qingpu district, Shanghai for total consideration of RMB288 million (US\$45.8 million). The total site area is 15,500 sq.m. and the planned total GFA is 38,800 sq.m. The land is planned for high-rise residential and commercial use.

On January 9, 2013, the Group succeeded in the bid for another parcel of land in Qingpu district, Shanghai for total consideration of RMB398 million (US\$63.2 million). The total site area is 21,300 sq.m. and the planned total GFA is 53,400 sq.m. The land is planned for high-rise residential and commercial use.

The average cost of the Group's land acquisitions for the year ended December 31, 2012 was RMB2,038 per sq.m., accounting for approximately 21.2% of the Group's average selling price.

Investment Properties

The following table shows, as of December 31, 2012, the existing and planned investment properties of the Group with total GFA of approximately 2.64 million sq.m. Whether any of these investment property development will be completed on schedule will be affected by a lot of factors, some of which will be beyond the control of the Group.

Projects⁽¹⁾	Cities	GFA <i>(sq. m. '000)</i>	Actual Completion Date	Planned Completion Date
North Paradise Walk	Chongqing	146	2003	—
Crystal Palace	Chongqing	42	2005	—
Fairy Castle	Chongqing	29	2006	—
West Paradise Walk	Chongqing	112	2008	—
Three Thousand Mall (Sanqianji)	Chengdu	38	2010	—
MOCO Center	Chongqing	30	2010	—
Summer Palace Starry Street	Beijing	6	2011	—
Chunsen Starry Street (I & II)	Chongqing	50	2011-2012	—
Blossom Chianti	Beijing	3	2012	—
University Town	Chongqing	21	2012	—
Sunshine City	Shanghai	19	2012	—
U Paradise Walk	Chongqing	25	2012	—
Time Paradise Walk (I)	Chongqing	170	2012	—
North Paradise Walk (Wukuaishi)	Chengdu	221	—	2013
Daxing Paradise Walk	Xi'an	43	—	2013-2014
Changying Paradise Walk	Beijing	226	—	2014
Baisha Mall	Qingdao	33	—	2015
Wuxi Splendor	Wuxi	118	—	2014
Dongjing 120 Project II	Changzhou	213	—	2015
Time Paradise Walk (II)	Chongqing	348	—	2016
Time Paradise Walk	Chengdu	451	—	2016
Xiasha Mall	Hangzhou	183	—	2017
Blue Lake	Wuxi	109	—	2018

⁽¹⁾ Some project names are not final and are subject to change.

Financing

On September 18, 2012, the Company conducted a placing of its existing shares and top-up subscriptions of its new shares to raise HK\$3,088.8 million (US\$398.2 million) in gross proceeds.

On October 18, 2012, the Company issued the 2012 Notes in an aggregate principal amount of US\$400 million.

As of December 31, 2012, the Group had total credit facilities of approximately RMB49.5 billion (US\$7.8 billion) from a group of major PRC banks including China Construction Bank, Agricultural Bank of China and Industrial and Commercial Bank of China, among which approximately RMB35.0 billion (US\$5.5 billion) were undrawn.

DEFINITIONS

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

“2012 Notes”	the 6.875% senior notes due 2019 in the aggregate principal amount of US\$400 million issued by the Company on October 18, 2012, further details of which are available in the 2012 Notes Announcements
“2012 Notes Announcements”	the three announcements (two of which dated October 11, 2012 and one of which dated October 19, 2012) issued by the Company in connection with the 2012 Notes and published on the website of the Stock Exchange on October 11, 2012, October 12, 2012 and October 19, 2012, respectively
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China excluding except where the context otherwise requires, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of China and Taiwan
“Citi”	Citigroup Global Markets Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Company”	Longfor Properties Co. Ltd. (龍湖地產有限公司), a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the main board of the Stock Exchange
“GFA”	gross floor area
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Notes”	the senior notes to be issued by the Company
“Offer Price”	the final price at which the Notes will be sold
“Proposed Notes Issue”	an international offering of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into between, among others, the Company, Citi, HSBC, Morgan Stanley and Standard Chartered Bank in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint bookrunners and joint lead managers in respect of the Proposed Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SGX-ST”	Singapore Exchange Securities Trading Limited

Hong Kong, January 22, 2013

As at the date of this announcement, the Board comprises ten members: Madam Wu Yajun, Mr. Shao Mingxiao, Mr. Zhou Dekang, Mr. Qin Lihong, Mr. Feng Jinyi and Mr. Wei Huaning, who are executive Directors; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Dr. Zeng Ming, who are independent non-executive Directors.