

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2014, Jinrong Xinxing, an indirect 91.3% owned subsidiary of the Company, succeeded in the bid for the Land in Hangzhou at the Auction at an aggregate price of RMB4,200,000,000 (equivalent to approximately HK\$5,334,000,000).

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.

THE ACQUISITION

On 22 January 2014, Jinrong Xinxing, an indirect 91.3% owned subsidiary of the Company, succeeded in the bid for the Land in Hangzhou at the Auction at an aggregate price of RMB4,200,000,000 (equivalent to approximately HK\$5,334,000,000). Details of the Acquisition are set out below:

Date of the Auction Confirmation Letter

22 January 2014

Parties

Purchaser : Jinrong Xinxing, an indirect 91.3% owned subsidiary of the Company.

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

Subject matter

The Land to be acquired by Jinrong Xinxing is situated at Plot No. R/B-02, ZTE Unit, Binjiang District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市濱江區中興單元R/B-02號地塊), with a total site area of 128,383 square meters and a total gross floor area of 410,825.6 square meters.

The Land shall be used for the development of an integrated mixed-use urban property consisting of residential and commercial components.

Consideration and payment terms

The consideration for the Land is RMB4,200,000,000 (equivalent to approximately HK\$5,334,000,000), and the consideration of the Land was determined after a public bidding process. An aggregate deposit of RMB670,000,000 (equivalent to approximately HK\$850,900,000) has been paid by Jinrong Xinxing and 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). Pursuant to the terms of the Auction Confirmation Letter, the Land Use Right Transfer Agreement is to be executed before 29 January 2014.

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 Hangzhou. 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 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 bidding process at the Auction
“Auction”	the public auction held by Hangzhou Land Bureau on 22 January 2014 at which the Land was offered for sale
“Auction Confirmation Letter”	the legally binding letter dated 22 January 2014 entered into between Hangzhou Land Bureau and Jinrong Xinxing 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
“Hangzhou Land Bureau”	杭州市國土資源局 (Hangzhou Land Resources Bureau), a PRC Government Bureau
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinrong Xinxing”	Beijing Jinrong Xinxing Properties Company Limited (北京錦榮欣興置業有限公司), a limited liability company established in the PRC and an indirect 91.3% owned subsidiary of the Company

“Land”	land parcel situated at Plot No. R/B-02, ZTE Unit, Binjiang District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市濱江區中興單元R/B-02號) with a total site area of 128,383 square meters and a total gross floor area of 410,825.6 square meters
“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 Hangzhou Land Bureau and Jinrong Xinxing 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 <u>region</u>
“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\$1.27 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, 22 January 2014

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.