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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 10 November 2014, Mingyucheng, an indirect 91.3% owned subsidiary of the Company, succeeded in the bid for the Land in Guangzhou at the Auction at an aggregate price of RMB3,780,000,000 (equivalent to approximately HK\$4,774,518,000).

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 10 November 2014, Mingyucheng, an indirect 91.3% owned subsidiary of the Company, succeeded in the bid for the Land in Guangzhou at the Auction at an aggregate price of RMB3,780,000,000 (equivalent to approximately HK\$4,774,518,000), of which the price of Land Parcel 1 is RMB2,220,000,000 (equivalent to approximately HK\$2,804,082,000) and the price of Land Parcel 2 is RMB1,560,000,000 (equivalent to approximately HK\$1,970,436,000). Details of the Acquisition are set out below:

Date of the Auction Confirmation Letter

10 November 2014

Parties

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

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

Subject matter

The Land Parcel 1 to be acquired by Mingyucheng is situated at Plot AT1003039, Huamei Milk Plant, Huangyun Road, Tianhe District, Guangzhou City, the PRC, with a total site area of 113,286.6 square meters and a total gross floor area of 131,626 square meters, and the Land Parcel 2 is situated at Plots AT1004026 and AT1004004, Huamei Milk Plant, Huangyun Road, Tianhe District, Guangzhou City, the PRC, with a total site area of 72,300.9 square meters and a total gross floor area of 124,565 square meters.

The Land shall be used for the development of a project consisting of residential and school properties.

Consideration and payment terms

The consideration for the Land is RMB3,780,000,000 (equivalent to approximately HK\$4,774,518,000), of which the price of Land Parcel 1 is RMB2,220,000,000 (equivalent to approximately HK\$2,804,082,000) and the price of Land Parcel 2 is RMB1,560,000,000 (equivalent to approximately HK\$1,970,436,000), and the consideration of the Land was determined through a public bidding process. An aggregate deposit of RMB320,000,000 (equivalent to approximately HK\$404,192,000) has been paid by Mingyucheng for the Land Parcel 1 and an aggregate deposit of RMB270,000,000 (equivalent to approximately HK\$341,037,000) has been paid for the Land Parcel 2. 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).

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 Guangdong Province. 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 Guangzhou Public Resource Trading Center on 10 November 2014 at which the Land was offered for sale
“Auction Confirmation Letter”	the legally binding letter dated 10 November 2014 entered into between Guangzhou Public Resource Trading Center and Mingyucheng 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
“Guangzhou Land Bureau”	廣州市國土資源和房屋管理局 (Guangzhou Municipal Land Resources and Housing Administrative Bureau)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Mingyucheng”	Guangzhou Mingyucheng Properties Company Limited (廣州市銘嶽城房地產有限公司), a limited liability company established in the PRC and an indirect 91.3% owned subsidiary of the Company
“Land”	collectively, the Land Parcel 1 and the Land Parcel 2
“Land Parcel 1”	situated at Plot AT1003039, Huamei Milk Plant, Huangyun Road, Tianhe District, Guangzhou City, the PRC, with a total site area of 113,286.6 square meters and a total gross floor area of 131,626 square meters
“Land Parcel 2”	situated at Plots AT1004026 and AT1004004, Huamei Milk Plant, Huangyun Road, Tianhe District, Guangzhou City, the PRC, with a total site area of 72,300.9 square meters and a total gross floor area of 124,565 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 Guangzhou Land Bureau and Mingyucheng 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 region

“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\$1.2631 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, 10 November 2014

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