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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 3 August 2011, Longfor Chongqing, an indirect 91.3% owned subsidiary of the Company, and Fortune Chance, an indirect wholly-owned subsidiary of the Company, succeeded in the bid for the Land in Shanghai at the Auction at an aggregate price of RMB3,054,220,000 (equivalent to approximately HK\$3,699,882,108).

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.

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Date of the Auction Confirmation Letter

3 August 2011

Parties

Purchasers : Longfor Chongqing, an indirect 91.3% owned subsidiary of the Company; and

Fortune Chance, an indirect wholly-owned subsidiary of the Company.

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

Subject matter

The Land to be acquired by Longfor Chongqing and Fortune Chance is a piece of land located at Plot No. 05, Phase One of Central District, Hongqiao Business District, Shanghai, the PRC (中國上海市虹橋商務區核心區一期05地塊), with a total site area of 78,751.7 square meters and a total gross floor area of 290,800 square meters.

The Land shall be used for the development of mixed commercial properties.

Consideration and payment terms

The consideration for the Land is RMB3,054,220,000 (equivalent to approximately HK\$3,699,882,108), and the consideration of the Land was determined after a public bidding process. An aggregate deposit of RMB610,840,000 (equivalent to approximately HK\$739,971,576) has been paid by Longfor Chongqing and Fortune Chance 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 4 November 2011.

The total consideration will be satisfied by the internal resources of the Company.

Longfor Chongqing and Fortune Chance will form a specific project company, which will be owned by Longfor Chongqing and Fortune Chance as to 75% and 25%, respectively, to develop the Land into a mixed commercial project. The project is intended to be developed into saleable and self-occupied properties as to approximately 49% and 51%, respectively.

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 Shanghai. 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 Shanghai Land Bureau on 3 August 2011 at which the Land was offered for sale
“Auction Confirmation Letter”	the legally binding letter dated 3 August 2011 entered into between Shanghai Land Bureau, Longfor Chongqing and Fortune Chance 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
“Fortune Chance”	Fortune Chance Investment Limited (福運投資有限公司), a limited liability company established in Hong Kong and an indirect wholly-owned subsidiary 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
“Land”	a piece of land located at Plot No. 05, Phase One of Central District, Hongqiao Business District, Shanghai, the PRC (中國上海市虹橋商務區核心區一期05地塊) with a total site area of 78,751.7 square meters and a total gross floor area of 290,800 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 Shanghai Land Bureau, Longfor Chongqing and Fortune Chance pursuant to the Auction Confirmation Letter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longfor Chongqing”	Longfor Chongqing Properties Development Co. Ltd. (重慶龍湖地產發展有限公司), a limited liability company established in the PRC and an indirect 91.3% owned subsidiary of the Company
“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

“Shanghai Land
Bureau”

上海市國土和資源管理局 (Shanghai Land and
Resources Management Bureau), a PRC Government
Bureau

For the purpose of this announcement, the exchange rates of RMB1.00 to HK\$1.2114 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, 4 August 2011

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