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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)**

**PUBLIC OFFERING OF THE THIRD TRANCHE OF  
DOMESTIC CORPORATE BONDS IN THE PRC  
AND  
UNAUDITED FINANCIAL INFORMATION OF  
CHONGQING LONGHU DEVELOPMENT  
COMPANY LIMITED**

This announcement is made by Longfor Properties Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 4 January 2016 (the “**Announcement**”) in relation to the proposed public offering of domestic corporate bonds. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as used in the Announcement.

Chongqing Longhu Development Company Limited, an indirect subsidiary of the Company (incorporated in the People’s Republic of China (the “**PRC**”)) (the “**Issuer**”) will issue the third tranche of the domestic corporate bonds to qualified investors on 14 July and 15 July 2016. The 2016 third tranche of the domestic corporate bonds has an initial principal amount of RMB2.0 billion and can be over-allotted of not more than RMB1.7 billion (the “**Third Tranche of Bonds**”) and is in two forms: (i) five-year bond, the Issuer shall be entitled to adjust the coupon rate after the end of the third year and the investors shall be entitled to sell back the bonds, and (ii) seven-year bond, the Issuer shall be entitled to adjust the coupon rate after the end of the fifth year and the investors shall be entitled to sell back the bonds.

The range of coupon rate of the Third Tranche of Bonds for consultation ranges from 3.0% to 4.0% for the five-year bond and ranges from 3.3% to 4.3% for the seven-year bond, respectively. The final coupon rate will be determined on 14 July 2016 based on book-building. The Third Tranche of Bonds are non-guaranteed bonds, and satisfy the basic conditions for conducting securities-pledged repurchase.

The proceeds from the issue of the Third Tranche of Bonds, after deduction of the expenses relating to the bond offering will be used to adjust its debt structure.

Details of the procedures for the application for the Third Tranche of Bonds are published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), along with the preliminary offering circular for the Third Tranche of Bonds, dated 11 July 2016.

The Issuer has received “AAA” rating from credit rating agency China Chengxin Securities Rating Company Limited\* (中誠信證券評估有限公司) on the Issuer and the Third Tranche of Bonds.

Pursuant to relevant rules and regulations of the PRC and the requirements of the China Securities Regulatory Commission, the unaudited consolidated financial statements of the Issuer for the three months ended 31 March 2016 (the “**Unaudited March Financials**”) are disclosed in the preliminary offering circular for the Third Tranche of Bonds, dated 11 July 2016 and published on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

Set out below are the key financial figures of the Unaudited March Financials:

	<b>For the three months ended 31 March 2016 (unaudited) RMB'000</b>
Current assets	111,882,010.6
Non-current assets	40,960,222.8
Total assets	152,842,233.4
Current liabilities	55,793,571.0
Non-current liabilities	37,333,887.3
Total liabilities	93,127,458.3
Total equity	59,714,775.1
Revenue	1,590,453.1
Net profit after taxation	32,809.4
Cash resources <sup>#</sup>	16,331,573.9

<sup>#</sup> including restricted bank deposit

Attention of the shareholders and potential investors of the Company is hereby drawn to the fact that the Unaudited March Financials and its summary disclosed in this announcement, which were published on the relevant websites of the PRC, have been prepared in accordance with the PRC Generally Accepted Accounting Principles, which may require adjustment during the course of auditing. Furthermore, the Unaudited March Financials may require adjustment under the International Financial Reporting Standards. The Unaudited Consolidated Financial Information is published pursuant to relevant PRC laws and regulations for the reference of investors of the Third Tranche of Bonds only. In addition, the information contained in the relevant websites in the PRC and this announcement is limited solely to the operation of the Issuer and its subsidiaries, which does not reflect a full picture of operation or status of the Group. **Shareholders of the Company and potential investors should exercise caution when dealing with the securities of the Company and should not rely solely on such information.**

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

Hong Kong, 8 July 2016

*As at the date of this announcement, the Board comprises eight members: Madam Wu Yajun, Mr. Shao Mingxiao, Mr. Yan Jianguo and Mr. Zhao Yi who are executive directors; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Zeng Ming who are independent non-executive directors.*

*\* for identification purposes only*