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## **LONGFOR GROUP HOLDINGS LIMITED**

### **龍湖集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 960)**

### **VOLUNTARY ANNOUNCEMENT NOTIFICATION FROM THE CONTROLLING SHAREHOLDER TO THE COMPANY CONCERNING ITS SHAREHOLDING**

The board of Directors has been informed by HSBC Trustee that on 21 November 2018, the entire issued share capital of Silver Sea has been distributed to the Daughter Trust, for family wealth and succession planning for Madam Wu and Madam Wu's Daughter.

Following the Distribution, the entire issued share capital of Silver Sea is wholly-owned by HSBC Trustee in its capacity as trustee of the Daughter Trust. Silver Sea owns the entire issued share capital of Charm Talent, which in turn holds 2,609,148,201 Shares as at the date hereof. Madam Wu's Daughter as settlor of the Daughter Trust is taken to be interested in those Shares pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571).

As HSBC Trustee as the trustee of the Daughter Trust has acquired not less than 30% of the voting rights of the Company upon the Distribution, HSBC Trustee is required to make a mandatory general offer for all the issued shares of the Company pursuant to Rule 26 of the Code, unless a waiver is granted by the Executive. In this regard, the Executive has granted a waiver from the obligation to make a mandatory general offer pursuant to Note 6 to Rule 26.1 of the Code.

### **BACKGROUND**

Immediately prior to the Distribution referred to below, Charm Talent held a controlling interest of the Company being 2,609,148,201 Shares representing approximately 43.98% of the total issued share capital of the Company on the date of the Distribution. Charm Talent is a wholly owned subsidiary of Silver Sea, a

company wholly owned by HSBC Trustee then in its capacity as the trustee of the Mother Trust. The beneficiary objects of the Mother Trust are certain family members of Madam Wu, including Madam Wu’s Daughter.

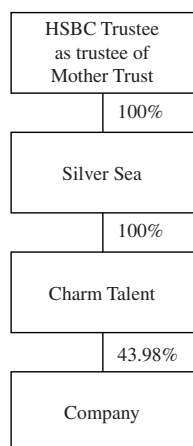
**THE DISTRIBUTION**

The board of Directors has been informed by HSBC Trustee that the Daughter Trust has been set up by Madam Wu’s Daughter as settlor with HSBC Trustee as the trustee; and on 21 November 2018, the entire issued share capital of Silver Sea was distributed to the Daughter Trust.

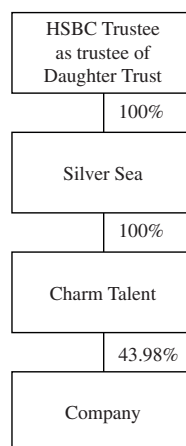
Immediately after the Distribution and as at the date hereof, the entire issued share capital of Silver Sea is wholly-owned by HSBC Trustee in its capacity as trustee of the Daughter Trust. Silver Sea owns the entire issued share capital of Charm Talent, which in turn holds 2,609,148,201 Shares as at the date hereof. Madam Wu’s Daughter as settlor of the Daughter Trust is taken to be interested in those Shares pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571).

The following diagrams depict the shareholding structure of Charm Talent (holding approximately 43.98% of the issued share capital of the Company as at the date hereof) before and after the Distribution.

**Shareholding structure of Charm Talent prior to the Distribution**



**Shareholding structure of Charm Talent upon the Distribution**



In connection with the Distribution, Madam Wu's Daughter has issued an undertaking in favour of Madam Wu, pursuant to which Madam Wu's Daughter unconditionally undertakes and warrants, among others, to procure Charm Talent to exercise the voting rights of the Shares held by Charm Talent in accordance with Madam Wu's instruction.

## **REASON FOR THE DISTRIBUTION**

The Company was given to understand that, the Distribution was carried out for the purpose of family wealth and succession planning for Madam Wu and Madam Wu's Daughter. Despite the Distribution, Madam Wu will remain as the chairperson and executive Director of the Company.

## **IMPLICATIONS UNDER THE CODE**

As HSBC Trustee as the trustee of the Daughter Trust has acquired not less than 30% of the voting rights of the Company immediately after the Distribution, HSBC Trustee is required to make a mandatory general offer for all the issued shares of the Company pursuant to Rule 26 of the Code, unless a waiver is granted by the Executive. In this regard, the Company has been informed by HSBC Trustee that the Executive has granted a waiver from the obligation to make a mandatory general offer pursuant to Note 6 to Rule 26.1 of the Code.

## **DEFINITIONS**

“Charm Talent”	Charm Talent International Limited;
“Code”	the Hong Kong Code on Takeovers and Mergers;
“Company”	Longfor Group Holdings Limited, a company incorporated in Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 960);
“Daughter Trust”	The XTH Trust, a discretionary trust set up by Madam Wu's Daughter;
“Directors”	the directors of the Company and “Director” means any one of them;
“Distribution”	the distribution of the entire issued share capital of Silver Sea to the Daughter Trust;

“Executive”	the Executive Director of the Corporate Finance Division of the SFC;
“HSBC Trustee”	HSBC International Trustee Limited;
“Madam Wu”	Madam Wu Yajun, the chairperson and executive Director of the Company;
“Madam Wu’s Daughter”	Madam Cai Xinyi, the daughter of Madam Wu;
“Mother Trust”	The Wu Family Trust, a discretionary trust set up by Madam Wu;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shares”	ordinary shares in the share capital of the Company;
“Silver Sea”	Silver Sea Assets Limited; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Longfor Group Holdings Limited**  
**Wu Yajun**  
*Chairperson*

Hong Kong, 22 November 2018

*As at the date of this announcement, the Board comprises eight members: Madam Wu Yajun, Mr. Shao Mingxiao, Mr. Zhao Yi and Mr. Li Chaojiang 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.*