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LANDSEA 朗诗
绿色地产

LANDSEA GREEN PROPERTIES CO., LTD.
朗 詩 綠 色 地 產 有 限 公 司

(Incorporated in Bermuda with limited liability)
(Stock code: 106)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's unaudited management accounts for the six months ended 30 June 2016 and information currently available to the Board, the Group is expected to record a significant decrease in the profit for the six months ended 30 June 2016 as compared with the profit for the six months ended 30 June 2015.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Landsea Green Properties Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Director(s)**") of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment of the Group's unaudited management accounts for the six months ended 30 June 2016 and information currently available to the Board, the Group is expected to record a significant decrease in profit for the six months ended 30 June 2016 as compared with the profit for the six months ended 30 June 2015.

The Company entered into a property development and management services contract with Landsea Group Co., Ltd (“**Landsea Group**”) in 2014 in which to provide property development and management services to Landsea Group. After two years, the property development projects were almost finished which led to a significant decrease in the revenue from the fees for providing property development and management services to Landsea Group for the six months ended 30 June 2016. In addition, the Group has implemented the “asset-light strategy and profit diversification strategy”, and the entrusted property development and management projects provided to independent third parties have progressed well with the number of contracts entered into for entrusted property development and management increasing significantly. Pursuant to the terms of such contracts, the revenue from the property development and management services recognized during the six months ended 30 June 2016 were relatively low, which will generally be recorded during the second half of 2016 to 2017. Furthermore, for the six months ended 30 June 2016, the Group’s contracted sales projects have been increasing, the contracted sales gross floor area have also increased. Due to the hangover arrangement, the contracted sales will be recognized as revenue in the second half of 2016 to 2017. Further, due to the significant increase in the number of project recently, which gave rise to selling expenses, administrative expenses and finance costs, profit has as a result been affected.

The Group recorded contracted sales (including projects of the Group engaged in entrusted property development and management as well as those recently confirmed entrusted property development projects) of the Group together with its joint ventures and associates for the six months ended 30 June 2016 amounted to approximately RMB10.940 billion (corresponding period in 2015 of approximately RMB2.463 billion) with contracted gross floor area of approximately 747,195 square meters (corresponding period in 2015 of approximately 218,073 square meters).

Despite the significant decrease in the unaudited profit for the six months ended 30 June 2016, the Group is confident for its current business strategies. The Company, which is the only listed platform of Landsea Group, depended on the support from its parent company at the initial stage of its development. However, the Company has gradually developed its own vertical business capacity and a large portfolio of new projects. The Board is of the view that the Group is in a key stage of development and it’s normal that the business of the Group shall be periodically affected by specific stages of its development. Pursuant to the transformation and upgrade strategies of “Product Differentiation, Asset Light and Market Globalization”, the Group has successfully obtained lots of projects including entrusted development management projects, projects with minority interests, associate projects, as well as acquisition projects, and the contracted amounts entered into for the entrusted property development and management have increased significantly, which have laid sound foundation for the future results. It is expected that the business development will gain remarkable results.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2016. The information contained in this announcement is only based on the preliminary assessment of the Group's unaudited management accounts for the six months ended 30 June 2016 and information currently available to the Board, which has not been confirmed nor audited by the Company's auditors, and is subject to finalisation and adjustments where necessary.

The interim results announcement of the Company for the six months ended 30 June 2016 is expected to be published in August 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Landsea Green Properties Co., Ltd.
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, 21 July 2016

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Tian Ming, Mr. Xiang Jiong, Ms. Shen Leying and Mr. Xie Yuanjian, two non-executive Directors, namely Mr. Zhou Yimin and Ms. Zhou Qin, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Ding Yuan and Mr. Lee Kwan Hung.