

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LANDSEA GREEN PROPERTIES CO., LTD.

朗詩綠色地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 106)

DISCLOSEABLE TRANSACTION FRAMEWORK AGREEMENT

The Board hereby announces that on 4 July 2017, Wuhan Langheng, a wholly-owned subsidiary of the Company, entered into the Agreement with the Project Company and Changsha Xiangtai Properties, pursuant to which, Wuhan Langheng and Changsha Xiangtai Properties have agreed Wuhan Langheng to acquire through the Project Company, the interest in the Land held by Changsha Xiangtai Properties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Agreement exceed 5% and all of such ratios are all less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and are therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The Board hereby announces that on 4 July 2017, Wuhan Langheng, a wholly-owned subsidiary of the Company, entered into the Agreement with the Project Company and Changsha Xiangtai Properties, pursuant to which, Wuhan Langheng and Changsha Xiangtai Properties have agreed Wuhan Langheng to acquire through the Project Company the interest in the Land held by Changsha Xiangtai Properties.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date

4 July 2017

Parties

1. Wuhan Langheng (a wholly-owned subsidiary of the Company)
2. the Project Company (a wholly-owned subsidiary of the Company as at the date of this announcement)
3. Changsha Xiangtai Properties

To the best knowledge, information and belief of the Directors after making all reasonable enquiry, each of Changsha Xiangtai Properties and its ultimate beneficial owners is independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Subject Matter

Pursuant to the terms of the Agreement, Wuhan Langheng and Changsha Xiangtai Properties have agreed Wuhan Langheng to acquire through the Project Company the interest in the Land held by Changsha Xiangtai Properties.

Pursuant to the Agreement, Changsha Xiangtai Properties shall acquire the land use right in respect of the Land by 31 August 2017, and shall subsequently make a capital contribution to the Project Company with the land use right of the Land (the “**Capital Contribution**”) in exchange for 66.67% equity interest in the Project Company, while the equity interest of Wuhan Langheng in the Project Company shall be diluted to 33.33%. In addition, the board of directors of the Project Company shall comprise executive director only. Wuhan Langheng shall nominate one executive director who will also be the manager and legal representative of the Project Company. Changsha Xiangtai Properties will not participate in the daily operation of the Project Company. The Project Company will still be counted as a subsidiary of the Group and its financial results will continue to be consolidated to the accounts of the Group.

Upon completion of the Capital Contribution and the transfer of the Land to the Project Company, which shall not be later than 30 November 2017, Wuhan Langheng and Changsha Xiangtai Properties shall enter into the Equity Transfer Agreement in relation to the transfer of 66.67% equity interest in the Project Company held by Changsha Xiangtai Properties to Wuhan Langheng, at the Equity Transfer Consideration.

Equity Transfer Consideration

The Equity Transfer Consideration amounts to RMB135,000,000 (subject to downward adjustment).

If the actual aboveground construction area on the Land is less than 46,528 square meters, the Equity Transfer Consideration shall be adjusted in proportion to the percentage of the actual aboveground construction area accounted for in 46,528 square meters.

The Equity Transfer Consideration was determined with reference to the market price of the Land.

Within three business days of the Agreement, Wuhan Langheng and Changsha Xiangtai Properties shall set up a joint account (the “**Joint Account**”). Within three business days of the opening of the Joint Account, Wuhan Langheng shall pay RMB30,000,000 into the Joint Account. Upon receipt of confirmation and acknowledgment of the Capital Contribution from the relevant governmental authority, Wuhan Langheng shall pay a further RMB105,000,000 into the Joint Account (the cash deposited in the Joint Account being referred to as the “**Escrow Money**”).

Upon receipt of payment notices from the tax authorities in respect of the tax payable for the transfer of the land use right of the Land from Changsha Xiangtai Properties to the Project Company, Wuhan Langheng and Changsha Xiangtai Properties shall cause such amount of Escrow Money as corresponds to the tax amount stipulated in the payment notices to be released to the tax authorities. The amount so released (the “**Paid Taxes**”) will be deducted from the Equity Transfer Consideration payable at completion of the Equity Transfer.

Completion of the Equity Transfer

Subject to the Project Company having obtained the land use right of the Land and to the planning authority having approved the aboveground construction area on the Land to be 46,528 square meters, Wuhan Langheng and Changsha Xiangtai Properties shall enter into the Equity Transfer Agreement and Changsha Xiangtai Properties shall complete the industrial and commercial registration procedures in respect of the Equity Transfer.

Upon completion of the Equity Transfer, Wuhan Langheng and Changsha Xiangtai Properties shall jointly instruct the release of the Escrow Money from the Joint Account as follows:

- (1) the Equity Transfer Consideration, after deducting an amount equal to the aggregate of the Paid Taxes and RMB20,000,000, shall be released to Changsha Xiangtai Properties;
- (2) any remaining amount in the Joint Account, after deducting an amount equal to RMB20,000,000, shall be released to Wuhan Langheng; and

(3) after the Project Company has obtained the construction project planning permit issued by the planning authority, an amount equal to RMB20,000,000 shall be released from the Joint Account to Changsha Xiangtai Properties.

Upon completion of the Equity Transfer, the Project Company will remain as a subsidiary of the Group and its financial results shall be consolidated to the financial statements of the Group.

Information on Changsha Xiangtai Properties

Changsha Xiangtai Properties is a company established under the laws of the PRC with limited liability. It is engaged in development and sale of real estates and sale of construction materials.

Information on the Project Company

The Project Company is a company established under the laws of the PRC on 26 April 2017 with limited liability, the principal activity of which is development and operation of real estates and real estate consultancy.

The net assets and total assets of the Project Company as extracted from its unaudited accounts as at 31 May 2017 were both nil.

No financial results of the Project Company have been presented since the Project Company has not yet commenced business since its establishment on 26 April 2017.

Information on the Land

The details of the Land are as follows:

Address: 中國長沙岳麓區天頂鄉青山村 (Qingshan Village, Tianding Township, Yuelu District, Changsha, the PRC*)

Land use: Commercial and residential

Net site area: 11,626.72 square meters

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group is principally engaged in property development in the PRC and the United States. The Company is the only listed platform under Landsea Group engaging in green residential property development business.

The Group is committed to finding suitable projects to expand its property development business in the PRC. The Land is superior for the Group to develop residential projects, which is in line with the Group's long term development strategies.

Based on the foregoing, the Directors believe that the terms of the Agreement are fair and reasonable and are in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Agreement exceed 5% and all of such ratios are all less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and are therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Agreement”	the framework agreement dated 4 July 2017 entered into between Wuhan Langheng, the Project Company and Changsha Xiangtai Properties
“Board”	the board of Directors
“Changsha Xiangtai Properties”	長沙湘泰置業有限公司(Changsha Xiangtai Properties Company Limited*), a company established in the PRC with limited liability
“Company”	Landsea Green Properties Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 106)
“Director(s)”	the director(s) of the Company
“Equity Transfer”	the transfer of 66.67% equity interest in the Project Company from Changsha Xiangtai Properties to Wuhan Langheng pursuant to the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the agreement to be entered into by Wuhan Langheng and Changsha Xiangtai Properties in relation to the Equity Transfer

“Equity Transfer Consideration”	the consideration for the Equity Transfer to be paid by Wuhan Langheng to Changsha Xiangtai Properties in the amount of RMB135,000,000 (subject to downward adjustment)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land parcel located at 中國長沙岳麓區天頂鄉青山村(Qingshan Village, Tianding Township, Yuelu District, Changsha, the PRC*)
“Landsea Group”	朗詩集團股份有限公司 (Landsea Group Co., Ltd.*), a company established in the PRC with limited liability, the ultimate controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project Company”	長沙朗詩置業有限公司 (Changsha Landsea Properties Company Limited*), a company incorporated in the PRC and is a wholly-owned subsidiary of the Company as at the date of this announcement
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Langheng”	武漢朗恒實業有限公司 (Wuhan Langheng Enterprises Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 4 July 2017

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

** For identification purposes only*