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LANDSEA GREEN PROPERTIES CO., LTD.

朗詩綠色地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 106)

MAJOR TRANSACTION LP AGREEMENT AND COOPERATION FRAMEWORK AGREEMENT

The Board announces that on 25 December 2017, Nanjing Langming and Shanghai Langqing, wholly-owned subsidiaries of the Company, entered into the LP Agreement with Shanghai Zhongcheng Era and Zhongcheng Yongyi, pursuant to which the parties shall make capital contribution to Zhongcheng Fund.

The Board also announces that on 25 December 2017, Nanjing Langming and Nanjing Xubohui, wholly-owned subsidiaries of the Company, entered into the Cooperation Framework Agreement with the Project Company and Zhongcheng Fund, pursuant to which Nanjing Xubohui has agreed to sell and Zhongcheng Fund has agreed to acquire the Sale Shares at a consideration of RMB24.85 million, and Nanjing Xubohui has agreed to assign and Zhongcheng Fund has agreed to accept assignment of the Subject Loan, at a consideration of RMB629.32 million, and Zhongcheng Fund has agreed to provide the Zhongcheng Shareholder's Loan of not exceeding RMB17.83 million.

LISTING RULES IMPLICATIONS

The transactions contemplated under the LP Agreement and the Cooperation Framework Agreement constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders' approval requirements.

The Company has obtained written approval from each of Greensheid Corporation and Landsea International Holdings Limited which holds 2,209,991,823 Shares and 218,983,552 Shares respectively as at the date of the written approval, together representing 62% of the issued share capital of the

Company, for approving the provision of the Financial Assistance. Both Greensheid Corporation and Landsea International Holdings Limited are wholly-owned by Landsea Group. The Company will not convene a general meeting for approving the provision of the Financial Assistance. In the event that a general meeting of the Company shall be convened to approve the Financial Assistance, the Directors shall recommend voting in favour of the relevant resolution.

GENERAL

A circular containing, among others, further information on the transactions contemplated under the LP Agreement and the Cooperation Framework Agreement is expected to be despatched to the Shareholders on or before 15 January 2018.

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THE LP AGREEMENT

Set out below are the principal terms of the LP Agreement:

Date

25 December 2017

Parties

1. Nanjing Langming (a wholly-owned subsidiary of the Company)
2. Shanghai Langqing (a wholly-owned subsidiary of the Company)
3. Zhongcheng Era
4. Zhongcheng Yongyi

To the best knowledge, information and belief of the Directors after making all reasonable enquiry, each of Zhongcheng Era and Zhongcheng Yongyi and their respective ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules).

Subject Matter

The parties have agreed to make capital contribution to Zhongcheng Fund. The total subscribed capital contribution of Zhongcheng Fund is RMB672.00 million. Shanghai Langqing and Zhongcheng Era are general partners with each of them subscribing RMB1 million, representing 0.15% of the Zhongcheng Fund, while Nanjing Langming and Zhongcheng Yongyi are limited partners with each of them subscribing RMB335.00 million, representing 49.85% of Zhongcheng Fund. The total equity interest of the Group in Zhongcheng Fund amounted to 50%.

The investment goals of Zhongcheng Fund are principally high quality real estate development and sale projects.

Manner of Capital Contribution to Zhongcheng Fund

The parties shall make capital contribution to Zhongcheng Fund in cash. Zhongcheng Era will issue capital contribution notice to each of Shanghai Langqing, Nanjing Langming and Zhongcheng Yongyi, which sets out the actual amount to be paid by each party, which has been mutually agreed by Zhongcheng Era and Shanghai Langqing, and the closing date for making payment. The actual paid-up capital of Zhongcheng Fund shall not be less than RMB242.00 million. Each party shall make payment by the closing date as set out in the above said notice.

Management of Zhongcheng Fund

The executive partners of Zhongcheng Fund are Zhongcheng Era and Shanghai Langqing.

Zhongcheng Fund will establish a decision-making committee which will comprise one member nominated by each general partner. Any material business should obtain unanimous consent by the committee members.

Term of partnership and investment

The term of partnership of Zhongcheng Fund will be ten years commencing from the date of issuing the business licence. The investment period shall be three years commencing from the date of establishment of Zhongcheng Fund. The extension period shall not exceed twelve months upon expiry of the exit phase.

COOPERATION FRAMEWORK AGREEMENT

Date

25 December 2017

Parties

1. Nanjing Langming (a wholly-owned subsidiary of the Company)
2. Nanjing Xubohui (a wholly-owned subsidiary of the Company)
3. the Project Company
4. Zhongcheng Fund

Subject Matter

The Sale Shares represent 48% of the equity interest of the Project Company. As at the date of this announcement, the Project Company is held as to 49% by Nanjing Xubohui and 51% by Wanxin Group. The Project Company holds the Project Land, the information of which is set out in the section headed “Information on the Project Land” below.

The Subject Loan represents the loan owned by the Project Company to Nanjing Xubohui of RMB629.32 million.

Zhongcheng Fund has agreed to provide Zhongcheng Shareholder’s Loan of not exceeding RMB17.83 million, to be used together with the Subject Loan for development of the Project and for repayment of the fund advanced by Nanjing Langming in respect of the Project. The term of the Zhongcheng Shareholder’s Loan and the Subject Loan will be three years commencing from the dated on which Zhongcheng Fund pays first instalment of Zhongcheng Shareholder’s Loan. Interest rate of Zhongcheng Shareholder’s Loan will be 8% per annum.

Upon completion of the transactions contemplated under the Cooperation Framework Agreement, the Project Company will be held as to 51%, 1% and 49% by Wanxin Group, Nanjing Xubohui and Zhongcheng Fund respectively.

The sale of Sale Shares to Zhongcheng Fund constitutes a deemed disposal of the Company, from which the Group will record a gain of RMB3.25 million.

Total Investment

The Total Investment of Zhongcheng Fund under the Cooperation Framework Agreement shall not exceed RMB672.00 million, including (i) consideration for sale and purchase of the Sale Shares of RMB24.85 million; (ii) assignment of Subject Loan of RMB629.32 million; and (iii) provision of Zhongcheng Shareholder's Loan of not exceeding RMB17.83 million.

The Total Investment was determined after arm's length negotiation between the parties with reference to the estimated fund needed for development and construction of the Project and repayment of fund advanced by Nanjing Langming in respect of the Project.

Conditions Precedent

The provision of Total Investment by Zhongcheng Fund is subject to fulfillment (or written waiver or amendment by Zhongcheng Fund) of the following conditions precedent, including:

- (1) the Project Company has signed the state-owned land transfer documents in respect of the Project and the Project Land;
- (2) the Cooperation Framework Agreement has been signed and becoming effective;
- (3) application has been made in respect of the registration of industrial and commercial changes (subject to the receipt of the acceptance certificate issued by the industrial and commerce department); and
- (4) each of Nanjing Xubohui and Wanxin has paid up the subscribed capital of the Project Company.

The parties shall procure the above conditions to be satisfied before 31 December 2017, otherwise, Zhongcheng shall have the rights:

- (1) Subject to not affecting its rights under the Framework Agreement requiring other parties to continue the performance of the Cooperation Framework Agreement pursuant to any conditions precedent waived or revised by the Zhongcheng Fund; or
- (2) To terminate the Cooperation Framework Agreement by written notice served to the other parties.

Method of provision of Total Investment

On the date of fulfillment of the conditions precedents as above, Zhongcheng Fund shall pay the consideration for the Sale Shares of RMB24.85 million and for assignment of Subject Loan of RMB629.32 million to Nanjing Xubohui, and to provide the Zhongcheng Shareholder's Loan in the amount of RMB17.83 million.

Completion

Within 30 working days after the signing of the Cooperation Framework Agreement, the Project Company will complete the registration of industrial and commercial changes in relation to the sale and purchase of the Sale Shares. Completion will be made after obtaining the updated business licence of the Project Company issued by the Industrial and Commercial Department.

Management of the Project Company

The board of directors of the Project Company will comprise of five directors, Wanxin Group has the right to nominate three directors, Nanjing Langming has the right to nominate one director and Zhongcheng Fund has the right to nominate one director. The resolutions of the board of directors shall be approved by majority of the directors, important matters shall be approved by the members of the board of directors unanimously.

The investment period of Zhongcheng Fund

The investment period of Zhongcheng Fund in the Project Company:

- (i) upon the payment of the relevant subscribed capital to the Project Company and up to the expiry of thirty-three (33) months thereof;
- (ii) the date on which the Project Company have completed sale of 90% of the Project; or
- (iii) Zhongcheng Fund selects on its own the actual exit time pursuant to the terms of the Cooperation Framework Agreement.

INFORMATION ON THE PARTIES

Zhongcheng Era is a fund management company established in the PRC with limited liability, it is principally engaged in equity investment fund management, equity investment, enterprise management, investment management, asset management (subject to the approval under the relevant laws and approval being given by the relevant departments before commencement of relevant business activities).

Zhongcheng Yongyi is a limited partnership established in the PRC, its executive partner is Zhongcheng Era. Its principal activities are industrial investment, investment management, investment information consulting, business management consulting, financial advisory (subject to the approval under the relevant laws and approval being given by the relevant departments before commencement of relevant business activities).

Zhongcheng Fund is a limited partnership established under the laws of the PRC on 23 March 2017. Its principal activities are industrial investment, investment management, investment information consulting, business management consulting, financial advisory (subject to the approval under the relevant laws and approval being given by the relevant departments before commencement of relevant business activities).

The Project Company is a limited liability company established under the laws of the PRC on 19 July 2017, it is principal engaged in the holding of the Project and to carry out property development, property sale and lease and property management.

The net assets and total assets of the Project Company as extracted from its unaudited accounts as at 30 November 2017 were approximately RMB38.23 million and RMB1,477.51 million respectively.

The financial results of the Project Company as extracted from its unaudited accounts for the period from 19 July 2016 (date of incorporation) to 31 December 2016 are as follows:

	<i>(RMB)</i>
Net loss before taxation and extraordinary items	4,462,629
Net loss after taxation and extraordinary items	4,462,629

INFORMATION ON THE PROJECT LAND

Location: the land parcel no. BB-5-1 located in hi-tech District, Hefei, the PRC

Land nature: Residential

Net site area: 63.65 mu

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE LP AGREEMENT AND THE COOPERATION FRAMEWORK AGREEMENT

The Group is principally engaged in property development in the PRC and the United States. The Company is the 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. By the contribution to Zhongcheng Fund under the LP Agreement will help the Group to introduce other partners to seek suitable real estate projects in line with the Group's long-term development strategy. Participation in the Project through the Cooperation Framework Agreement will help to generate revenue for the Group.

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

LISTING RULES IMPLICATIONS

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The Company has obtained written approval from each of Greensheid Corporation and Landsea International Holdings Limited which holds 2,209,991,823 Shares and 218,983,552 Shares respectively as at the date of the written approval, together representing 62% of the issued share capital of the Company, for approving the provision of the Financial Assistance. Both Greensheid Corporation and Landsea International Holdings Limited are wholly-owned by Landsea Group. The Company will not convene a general meeting for approving the provision of the Financial Assistance. In the event that a general meeting of the Company shall be convened to approve the Financial Assistance, the Directors shall recommend voting in favour of the relevant resolution.

GENERAL

A circular containing, among others, further information on the transactions contemplated under the LP Agreement and the Cooperation Framework Agreement is expected to be despatched to the Shareholders on or before 15 January 2018.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“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)
“Cooperation Framework Agreement”	the cooperation framework agreement dated 25 December 2017 entered into by Nanjing Langming, Nanjing Xubohui, the Project Company and Zhongcheng Fund in respect of the cooperation on development of the Project
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“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
“LP Agreement”	the limited partnership agreement dated 25 December 2017 entered into by Nanjing Langming, Shanghai Langqing, Zhongcheng Era and Zhongcheng Yongyi in relation to the capital contribution to Zhongcheng Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Langming”	南京朗銘地產集團有限公司(Nanjing Langming Real Estate Group Company Limited*), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Nanjing Xubohui”	南京旭博輝企業管理有限公司 (Nanjing Xubohui Corporate Consulting Management Company Limited*), a company incorporated in the PRC with limited liability and is an indirect 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
“Project”	development of the project on the Project Land
“Project Company”	合肥皖新朗詩文化投資有限公司(Hefei Wanxin Landsea Cultural Investment Company Limited*), a company incorporated in the PRC with limited liability which holds the Project
“Project Land”	the land parcel no. BB-5-1 located in hi-tech District, Hefei, the PRC
“Sale Shares”	48% equity interest of the Project Company
“Shanghai Langqing”	上海朗青投資管理有限公司 (Shanghai Langqing Investment Management Company Limited*), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subject Loan”	the loan owed by the Project Company to Nanjing Xubohui of RMB629.32 million
“Total Investment”	the total investment by Zhongcheng Fund under the Cooperation Framework Agreement, including consideration for sale and purchase of the Sale Shares and Zhongcheng Shareholder’s Loan
“Wanxin Group”	皖新文化產業投資（集團）有限公司(Wanxin Cultural Industry Investment Group Limited*), a company established in the PRC with limited liability
“Zhongcheng Era”	上海中城年代股權投資基金管理有限公司(Shanghai Zhongcheng Era Equity Investment Fund Management Co., Ltd.*), a fund management company incorporated in the PRC
“Zhongcheng Fund”	上海中城乾念投資中心（有限合伙）(Shanghai Zhongcheng Qiannian Investment Centre (Limited Partnership)*), a limited partnership established in the PRC with limited liability
“Zhongcheng Shareholder’s Loan”	the shareholder’s loan to be provided by Zhongcheng Fund pursuant to the Cooperation Framework Agreement of not exceeding RMB647.15 million
“Zhongcheng Yongyi”	上海中城勇逸投資中心（有限合伙）(Shanghai Zhongcheng Yongyi Investment Center (Limited Partnership)*), a limited partnership established in the PRC with limited liability
“%”	per cent.

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

Hong Kong, 25 December 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*