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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)*

## **DISCLOSEABLE TRANSACTION INVOLVING THE ACQUISITION OF PARTNERSHIP**

### **The Transfer Agreement**

The Board announces that on 7 February 2018 (after trading hours), Shanghai Langqing and Nanjing Langming, wholly-owned subsidiaries of the Company, entered into the Transfer Agreement with CITIC Capital and Pingan Heding, pursuant to which (i) CITIC Capital conditionally agreed to sell and Shanghai Langqing conditionally agreed to purchase the entire Property Share of General Partner of the Partnership at the consideration of RMB10,000; and (ii) Pingan Heding conditionally agreed to sell and Nanjing Langming conditionally agreed to purchase the entire Property Share of Limited Partner of the Partnership at the consideration of RMB221,000,000.

### **Listing Rules Implications**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Acquisition are more than 5% but all of the applicable percentage ratios are less than 25%, the Transfer Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements set out in the Listing Rules.

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Details of the Transfer Agreement are set out below:

**Date**

7 February 2018

**Parties**

1. Shanghai Langqing, a wholly-owned subsidiary of the Company;
2. Nanjing Langming, a wholly-owned subsidiary of the Company;
3. CITIC Capital; and
4. Pingan Heding

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of CITIC Capital, Pingan Heding and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

**Subject matter**

The Partnership holds 100% equity interest of Best Benefit and Best Benefit and the Company each holds 61.54% and 38.46% equity interest of Silver Knight respectively. Silver Knight is a joint venture of the Company. Best Benefit and the Company are both recorded the results of Silver Knight Group by equity method of accounting.

Silver Knight indirectly holds the Properties.

Pursuant to the Transfer Agreement, (i) CITIC Capital conditionally agreed to sell and Shanghai Langqing conditionally agreed to purchase the entire Property Share of General Partner of the Partnership at the consideration of RMB10,000; and (ii) Pingan Heding conditionally agreed to sell and Nanjing Langming conditionally agreed to purchase the entire Property Share of Limited Partner of the Partnership at the consideration of RMB221,000,000.

## **Business of Silver Knight**

The principal business of Silver Knight is holding of company, which through its wholly-owned subsidiary holds and re-develops the Properties in Shanghai. The Properties will be upgraded and refurbished and then sold in batches. Further information of the Properties is set out below in the section headed “Information on the Properties”.

## **Consideration**

The consideration for the Property Share of General Partner is RMB10,000; and the consideration for the Property Share of Limited Partner is RMB221,000,000.

The consideration for the Property Share of General Partner and the Property Share of Limited Partner were determined by the parties after arm’s length negotiation by reference to the paid up capital of the Partnership and the net asset value of the Properties as at 31 December 2017 and the prevailing market conditions. Based on the aforesaid, the Directors are of the view that the consideration is fair and reasonable. The payment of the consideration for the Property Share of General Partner and Property Share of Limited Partner would be funded by the Company’s internal resources.

## **Conditions precedent**

The transfer of property shares of the Partnership is subject to fulfillment of the following conditions precedent.

- (1) Shanghai Langqing and Nanjing Langming shall be satisfied with the due diligence on the Partnership and Best Benefit, which shall be completed within two days after signing of the Transfer Agreement; and
- (2) The industrial and commercial changes registration in respect of transferring the property shares of the Partnership shall have been completed.

Following the satisfaction of the condition precedent (1) above, CITIC Capital and Pingan Heding will procure Best Benefit to transfer its entire equity interest held in Silver Knight (i.e. 61.54% equity interest) to the Company or its nominated entity at a consideration of US\$1. Shanghai Langqing and Nanjing Langming shall pay the consideration for Property Share of General Partner and Property Share of Limited Partner upon completion for the industrial and commercial changes registration of equity transfer of Silver Knight.

In the event that the condition precedent (2) is not fulfilled within 15 days after the completion of the transfer of equity interest of Silver Knight, the parties shall agree on another long stop date.

Upon completion, the Partnership, Best Benefit, Silver Knight Group would become indirect wholly-owned subsidiaries of the Company and their results will be consolidated into the consolidated financial statements of the Group.

## **INFORMATION ON THE PARTNERSHIP**

The Partnership is a limited partnership established in the PRC. Pingan Heding is the limited partner of the Partnership, with subscribed capital contribution of RMB165,750,000 and paid-up capital contribution of RMB165,616,000. CITIC Capital is the general partner, with subscribed and paid-up capital contribution amounted to RMB10,000.

The net assets and total assets of the Partnership as extracted from its unaudited accounts as at 31 December 2017 were approximately RMB161,357,811.

The financial results of the Partnership as extracted from its unaudited accounts for the two financial years ended 31 December 2017 are as follows:

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>(RMB)</i>	<i>(RMB)</i>
Net loss before tax and extraordinary items	(515,626)	(3,943,455)
Net loss after tax and extraordinary items	(515,626)	(3,943,455)

The net liabilities and total assets of Silver Knight Group as extracted from its unaudited consolidated accounts as at 31 December 2017 were approximately RMB216,448,018 and RMB914,582,531 respectively.

The financial results of Silver Knight Group as extracted from its unaudited consolidated accounts for the two financial years ended 31 December 2017 are as follows:

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>(RMB)</i>	<i>(RMB)</i>
Net (loss)/income before tax and extraordinary items	(22,141,344)	25,569,621
Net (loss)/income after tax and extraordinary items	(22,141,344)	25,569,621

## **REASONS FOR AND BENEFIT OF THE TRANSFER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER**

The Group is principally engaged in real estate development services, long-term rental apartments, pension services, and green design, decorations and property services and real estate finance in the PRC and the United States.

Pursuant to the shareholders' Agreement (the "**Agreement**") dated 13 October 2015 entered into by the Company, Silver Knight and Best Benefit in relation to the cooperation in the development of the Properties, Best Benefit reserves the right to require the Company to purchase Best Benefit's interest in Silver Knight. The consideration for the acquisition of Best Benefit's equity interest in Silver Knight will be based on the valuation of the Properties less the development costs, management costs and cost of sale of the Properties and other related costs and subject to a cap of RMB400,000,000.

The equity interest in Silver Knight shall be transferred to the Group through the sale of the Partnership pursuant to the Transfer Agreement, which evidences the commitment of the parties under the Agreement.

The Directors consider that the Transfer Agreement has been made on normal commercial terms and that the terms of which are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON SILVER KNIGHT**

Silver Knight is a company incorporated in the British Virgin Islands on 16 March 2015. The principal business of Silver Knight is to acquire, hold and redevelop the Properties. Silver Knight is a special purpose vehicle incorporated for the purpose of holding and developing the Properties, which is of a revenue nature and in the ordinary course of business of the Company.

## **INFORMATION ON THE PROPERTIES**

The details of the Properties are as follows:

Address:	中國上海市長寧區青溪路770弄25號 (No. 25, Alley 770, Qingxi Road, Changning District, Shanghai, the PRC*)
Properties:	unsold 40 residential units, car parks and public facilities
Site area:	13,433 square meters
Plot ratio:	1.18
Gross floor area:	15,787 square meters

Year of completion: 2000

## **INFORMATION ON BEST BENEFIT**

Best Benefit is a special purpose vehicle established by CITIC Capital for the purpose of cooperating with the Company in developing the Properties. Its principal business is investment holding.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Acquisition are more than 5% but all of the applicable percentage ratios are less than 25%, the Transfer Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements set out in the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“Acquisition”	the acquisition of the entire equity interest in the Partnership by Shanghai Langqing and Nanjing Langming from CITIC Capital and Pingan Heding pursuant to the Transfer Agreement
“Best Benefit”	Best Benefit Limited, a company incorporated in the Cayman Islands
“Board”	the board of Directors
“CITIC Capital”	CITIC Capital Holdings Limited, a company incorporated in Hong Kong with limited liability
“Company”	Landsea Green Properties Co., Ltd., a limited liability company incorporated in Bermuda, the Shares of which are listed on the main board of the Stock Exchange (stock code: 106)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of 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
“Nanjing Langming”	南京朗銘地產集團有限公司 (Nanjing Langming Real Estate Group Limited*), a company incorporated in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Partnership”	上海睿開投資合伙企業（有限合伙）(Shanghai Rui Kai Investment Partnership (limited partnership)*)
“Pingan Heding”	上海平安闔鼎投資管理有限責任公司 (Shanghai Pingan Heding Investment & Management Co., Ltd.*), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Properties”	中國上海市長寧區青溪路770弄25號 (the unsold 40 residential units, car parks and public facilities located at No. 25, Alley 770, Qingxi Road, Changning District, Shanghai, the PRC *)
“Property Share of General Partner”	the property share of general partner in the Partnership
“Property Share of Limited Partner”	the property share of limited partner in the Partnership
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Langqing”	上海朗青投資管理有限公司 (Shanghai Langqing Investment Management Limited*), a company incorporated in the PRC, which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Shareholder(s)”	holder(s) of the shares of the Company
“Silver Knight”	Silver Knight Global Limited, a company incorporated in the British Virgin Islands with limited liability
“Silver Knight Group”	Silver Knight and its wholly-owned subsidiaries, including property companies holding the properties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreement”	the partnership property share agreement entered into by Shanghai Langqing, Nanjing Langming, CITIC Capital and Pingan Heding on 7 February 2018 regarding the acquisition of the entire equity interest of the Partnership by Shanghai Langqing and Nanjing Langming from CITIC Capital and Pingan Heding
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 7 February 2018

*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 Ms. Zhou Yimin, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Ding Yuan and Mr. Lee Kwan Hung.*