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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)**

## **BUY BACK OF 70% EQUITY INTEREST IN THE PROJECT COMPANY**

### **THE BUY BACK**

On 8 February 2021, Shanghai Langyu, Dening Fund and the Project Company entered into the Equity Transfer Agreement, pursuant to which Dening Fund agreed to transfer and Shanghai Langyu agreed to buy back the Sale Interest at the Transfer Consideration of RMB42,000,000. As at the date of this announcement, there is no outstanding balance of the Dening Fund Shareholder's Loan.

Upon completion of the transfer of the Sale Interest, the Project Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

### **IMPLICATIONS UNDER THE LISTING RULES**

The option to exercise the Buy Back (which is not at the Company's discretion) was previously announced on 21 February 2019 pursuant to the requirements of Chapter 14 of the Listing Rules. This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

### **THE BUY BACK**

Reference is made to the Announcement in relation to the Agreement entered into between Nanjing Langming, Xi'an Langshiming, the Project Company and Dening Fund. Pursuant to the terms of the Agreement and subject to certain conditions, Dening Fund agreed to invest in the Subject Project held by the Project Company through the acquisition of the Sale Interest and the provision of the Dening Fund Shareholder's Loan. Pursuant to the terms of the Agreement, Dening Fund could request to exit the Subject Project and Xi'an Langshiming and/or its designated third party should agree to the Buy Back upon the earlier occurrence of either (i) the Subject Project sales rate reaches 95% and all sales proceeds have been received; or (ii) 22 months from the completion of the settlement of Dening Fund Investment, for a maximum amount of RMB280,000,000.

As at the date of this announcement, both conditions for the Buy Back have been fulfilled.

On 8 February 2021, Shanghai Langyu, Dening Fund and the Project Company entered into the Equity Transfer Agreement, pursuant to which Dening Fund agreed to transfer and Shanghai Langyu agreed to buy back the Sale Interest at the Transfer Consideration of RMB42,000,000. As at the date of this announcement, there is no outstanding balance of the Dening Fund Shareholder's Loan.

The principal terms of the Equity Transfer Agreement are as follows:

**Date:**

8 February 2021

**Parties:**

- (i) Shanghai Langyu, an indirect wholly-owned subsidiary of the Company as at the date of this announcement
- (ii) Dening Fund
- (iii) the Project Company

***Subject Matter***

Pursuant to the Equity Transfer Agreement, Dening Fund agreed to transfer and Shanghai Langyu agreed to buy back the Sale Interest at the Transfer Consideration of RMB42,000,000.

**Transfer Consideration**

The Transfer Consideration is RMB42,000,000, which was determined with reference to, among others, the fair value of the total equity interests of the Project Company as at the Valuation Date in accordance with the valuation report issued by 北京浩博鴻遠資產評估有限公司 (Beijing Haobo Hongyuan Assets Appraisal Co., Ltd.\*), an independent professional valuer. The Transfer Consideration was arrived at after arm's length negotiations among the parties to the Equity Transfer Agreement.

**Payment of Transfer Consideration**

As at the date of this announcement, Dening Fund owes to the Project Company an amount of RMB42,000,000 ("**Prepayment**"). The Prepayment was made in proportion to the respective shareholdings of the shareholders in the Project Company.

The Transfer Consideration will be settled by the novation of the Prepayment from Dening Fund to Shanghai Langyu. The Prepayment settlement will be funded by the internal resources of the Group.

## **Completion**

Completion of the Equity Transfer Agreement will take place on the date the commencement of the registration process of the industrial and commercial registration and the delivery of the common seal of the Project Company.

Upon completion of the transfer of the Sale Interest, the Project Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

## **INFORMATION ABOUT THE PROJECT COMPANY AND THE DENING FUND**

The Project Company is a company established in the PRC with limited liability. The principal activity of the Project Company is holding of the Subject Project for real estate development and operation. The Project Company is a joint venture company owned as to 30% by the Group, and as to 70% by Dening Fund.

Dening Fund is a limited partnership established in the PRC. Its principal activities are real estate investment, business management consulting and financial management consulting. The equity of Dening Fund is held as to 43.9560% by 上海淨璽投資管理合夥企業(有限合夥) (Shanghai Jingxi Investment Management Partnership (Limited Partnership)\*), 32.9670% is held by 江蘇寧滬投資發展有限責任公司 (Jiangsu Ninghu Investment Development Co., Ltd.\*), 21.9780% is held by 蘇州蘇投股權投資管理有限公司 (Suzhou Sutou Equity Investment Management Co., Ltd.\*), and 1.0989% held by 江蘇洛德股權投資基金管理有限公司 (Jiangsu Lord Equity Investment Fund Management Co., Ltd.\*). 上海淨璽投資管理合夥企業(有限合夥) (Shanghai Jingxi Investment Management Partnership (Limited Partnership)\* is held as to 48% by 上海淨哲投資管理合夥企業(有限合夥) (Shanghai Jingzhe Investment Management Partnership (Limited Partnership)\* and the remaining shareholders each hold less than 30%. No shareholder holds more than 30% of 上海淨哲投資管理合夥企業(有限合夥) (Shanghai Jingzhe Investment Management Partnership (Limited Partnership)\*). 江蘇寧滬投資發展有限責任公司 (Jiangsu Ninghu Investment Development Co., Ltd.\*) is wholly-owned by 江蘇寧滬高速公路股份有限公司 (Jiangsu Expressway Company Limited\*) (a company listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange; stock code: 177 and 600377).

To the best knowledge, information and belief of the Board, having made all reasonable enquiry, Dening Fund and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The financial results of the Project Company as extracted from its unaudited financial statements for the financial year ended 31 December 2020 and the audited financial statements for the financial year ended 31 December 2019 are as follows:

|                                             | <b>For the year ended</b> |             |
|---------------------------------------------|---------------------------|-------------|
|                                             | <b>31 December</b>        |             |
|                                             | <b>2019</b>               | <b>2020</b> |
|                                             | (audited)                 | (unaudited) |
|                                             | (RMB'000)                 | (RMB'000)   |
| Net loss before tax and extraordinary items | (44,958)                  | (14,103)    |
| Net loss after tax and extraordinary items  | (33,719)                  | (10,577)    |

The unaudited net deficit of the Project Company as at 31 December 2020 was approximately RMB28,245,017.65.

## **INFORMATION ABOUT SHANGHAI LANGYU**

Shanghai Langyu is a company established in the PRC with limited liability and principally engaged in investment holding.

## **REASONS FOR AND BENEFITS OF THE TRANSFER**

The Company is principally engaged in the businesses of development and sales of properties.

As at the date of this announcement, the Project Company holds the Subject Project, which has been developed into residential, car parking spaces and commercial properties. All residential properties under the Subject Project have been sold out and the car parking spaces and commercial properties are in stock, and both conditions for Buy Back pursuant to the Agreement have been fulfilled. By repurchasing the equity interests of the Project Company, the equivalent rights of the Subject Project can be obtained.

The cash flow generated by the Project Company is sufficient to cover the initial investment of the shareholders, therefore the Buy Back of the equity interests in the Project Company will not impose burden on the cash flow status of the Company.

The transactions contemplated under the Equity Transfer Agreement were conducted in accordance with the mechanism of the Agreement regarding the exit of Dening Fund from the Subject Project. Based on the above reasons, the Directors (including independent non-executive Directors) believe that the terms of the Equity Transfer Agreement are based on normal commercial terms, fair and reasonable, and beneficial to the Company and its shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

The option to exercise the Buy Back (which is not at the Company's discretion) was previously announced on 21 February 2019 pursuant to the requirements of Chapter 14 of the Listing Rules. This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

## DEFINITIONS

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

|                                  |                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Agreement”                      | the cooperation framework agreement entered into by Nanjing Langming, Xi'an Langshiming, the Project Company and Dening Fund on 21 February 2019, pursuant to which Dening Fund agreed to invest in the Subject Project held by the Project Company through the acquisition of the Sale Interest and the provision of the Dening Fund Shareholder's Loan |
| “Announcement”                   | the announcement of the Company dated 21 February 2019 in respect of the Agreement                                                                                                                                                                                                                                                                       |
| “Board”                          | the board of Directors                                                                                                                                                                                                                                                                                                                                   |
| “Business Days”                  | day(s) on which commercial banks are open for business in the PRC (excluding Saturdays, Sundays and public holidays)                                                                                                                                                                                                                                     |
| “Buy Back”                       | Xi'an Langshiming and/or its designated third party shall buy back the Dening Fund Investment for a maximum amount of RMB280,000,000 pursuant to the agreed terms                                                                                                                                                                                        |
| “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)                                                                                                                                                                   |
| “Dening Fund”                    | 南京洛德德寧房地產投資合夥企業 (Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC                                                                                                                                                                                                           |
| “Dening Fund Investment”         | the total investment amount of not exceeding RMB140,000,000 including the provision of the Dening Fund Shareholder's Loan of not exceeding RMB126,000,000 and the consideration for the Sale Interest of RMB14,000,000                                                                                                                                   |
| “Dening Fund Shareholder's Loan” | the shareholder's loan provided by Dening Fund to the Project Company                                                                                                                                                                                                                                                                                    |
| “Director(s)”                    | the director(s) of the Company                                                                                                                                                                                                                                                                                                                           |

|                             |                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Equity Transfer Agreement” | the equity transfer agreement dated 8 February 2021 entered into by Shanghai Langyu, Dening Fund and the Project Company, pursuant to which Dening Fund agreed to transfer and Shanghai Langyu agreed to purchase the Sale Interest at the consideration of RMB42,000,000, subject to the terms and conditions contained therein |
| “Group”                     | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                 |
| “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 Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company                                                                                                                                                     |
| “PRC”                       | the People’s Republic of China                                                                                                                                                                                                                                                                                                   |
| “Project Company”           | 西安嘉鵬房地產開發有限公司 (Xi’an Jiapeng Real Estate Development Co., Ltd.*), a company incorporated in the PRC with limited liability and is a joint venture company owned as to 30% by the Group, and as to 70% by Dening Fund as at the date of this announcement, which is the sole legal and beneficial owner of the Subject Project    |
| “RMB”                       | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                         |
| “Sale Interest”             | 70% equity interest in the Project Company                                                                                                                                                                                                                                                                                       |
| “Shanghai Langyu”           | 上海朗毓商業管理有限公司 (Shanghai Langyu Commercial Management Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company                                                                                                                                                    |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                          |
| “Subject Project”           | the property development project on 陝西省西安市未央區西戶鐵路以東、昆明路以北，宗地編號FD2-14-32 (land parcel No. FD2-14-32 located in the east of the Xihu Railway and the north of Kunming Road in Weiyang District, Xi’an City, Shaanxi Province*)                                                                                                     |
| “Transfer Consideration”    | RMB42,000,000                                                                                                                                                                                                                                                                                                                    |
| “Valuation Date”            | 30 November 2020                                                                                                                                                                                                                                                                                                                 |

“Xi’an Langshiming”

西安朗詩銘房地產開發有限公司(Xi’an Langshiming Real Estate Development Co., Ltd.\*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%”

percentage

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

Hong Kong, 8 February 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tian Ming, Mr. Huang Zheng and Mr. Jiang Chao, two non-executive Directors, namely, Ms. Shen Leying and Mr. Zhou Yimin, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.*

*\* For identification purposes only*