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**LANDSEA GREEN GROUP CO., LTD.**

**朗詩綠色集團有限公司**

*(Incorporated in Bermuda with limited liability)*

*(Stock code: 106)*

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
SUPPLEMENTAL AGREEMENT FOR EXTENSION OF LOAN**

Reference is made to the announcement of the Company dated 29 December 2017 in relation to, among other things, Suzhou Langkun entered into the Loan Agreements I with Jiangsu Huading and Loan Agreements II with Jiangsu Zijin.

The Board announces that on 21 December 2018, Suzhou Langkun entered into the Supplemental Agreement to Loan Agreements I with Jiangsu Huading and Supplemental Agreement to Loan Agreements II with Jiangsu Zijin, pursuant to which Suzhou Langkun agreed to adjust certain terms under the Loan Agreements I and Loan Agreements II. The terms contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are identical.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are 5% or more and all of such percentage ratios are less than 25%, the transactions contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II constituted a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and should have been subject to the notification and announcement requirements set out in the Listing Rules.

Suzhou Langkun is owned as to 55% by the Group, and 22.5% each by Jiangsu Huading and Jiangsu Zijin, therefore, Jiangsu Huading and Jiang Zijin are regarded as connected persons at subsidiary level. The transactions contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II constituted connected transactions for the Company with subsidiary level under Chapter 14A of the Listing Rules should have been subject to notification and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Reference is made to the announcement of the Company dated 29 December 2017 in relation to, among other things, Suzhou Langkun entered into the Loan Agreements I with Jiangsu Huading and Loan Agreements II with Jiangsu Zijin (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board announces that on 21 December 2018, Suzhou Langkun entered into the supplemental agreement to Loan Agreements I (“**Supplemental Agreement to Loan Agreements I**”) with Jiangsu Huading and supplemental agreement to Loan Agreements II (“**Supplemental Agreement to Loan Agreements II**”) with Jiangsu Zijin, pursuant to which Suzhou Langkun agreed to adjust certain terms under the Loan Agreements I and Loan Agreements II. The terms contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are identical. The principal terms are set out as follows:

**Date**

21 December 2018

**Parties**

**Supplemental Agreement to Loan Agreements I**

*Lender:* Suzhou Langkun, a non wholly-owned subsidiary of the Company

*Borrower:* Jiangsu Huading

**Supplemental Agreement to Loan Agreements II**

*Lender:* Suzhou Langkun, a non wholly-owned subsidiary of the Company

*Borrower:* Jiangsu Zijin

Suzhou Langkun is owned as to 55% by the Group, and 22.5% each by Jiangsu Huading and Jiangsu Zijin, therefore, Jiangsu Huading and Jiang Zijin are regarded as connected persons at subsidiary level.

Save as disclosed above, each of Jiangsu Huading and Jiangsu Zijin and their respective ultimate beneficial owner does not have any other relationship with the Company. Each of Jiangsu Huading and Jiangsu Zijin are independent, not related to each other, and the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are independent and not inter-related to each other.

*Adjusted*

*loan principal:* Up to RMB327,270,000

*Adjusted*

*loan term:* extended from 31 December 2018 to 31 December 2021

*Interest rate:* 4.35% per annum

*Security for the loan:* no security

*Repayment:* 31 December 2021, the Borrower can repay the principal amount together with the accrued interest three days before the expiration date

The terms of the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II were arrived at after arm's length negotiation between the parties. The Directors (including the independent non-executive Directors) consider that the terms contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **REASONS FOR AND BENEFIT OF SUPPLEMENTAL AGREEMENT TO LOAN AGREEMENTS**

The Company is a development operator and life service provider which is people-oriented, adheres to green technology and is committed to create a life-cycle green living system for customers. The Company's businesses consist of six divisions, namely, the real estate division in the PRC, the real estate division in the United States of America, the long term rentals business unit, the aged care services division, the green finance division and the green property division, all together forming the "Group Headquarters – Business Unit Level 2 Control Model" to continuously build professional capabilities that are vertically diversified in each market segment.

The Group is actively expanding its operations of asset light operation and other green activities. The Group has also been looking for opportunities to either enter into equity partnerships with other organisations such as developers and financial institutions or participate in projects developed by other developers. The Group jointly develops the Jiangsu project with the introduction of Jiangsu Huading and Jiangsu Zijin as shareholders of Suzhou Langkun.

Apart from the provision of loan to Jiangsu Huading and Jiangsu Zijin under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II, Suzhou Langkun also provided a loan to the Group in an amount according to the Group's proportionate shareholding in Suzhou Langkun. Suzhou Langkun is able to utilize its idle fund flexibly by the advancement of loan to its shareholders and represent a good opportunity to generate interest income to the Group which is more favourable than placing in banks. In addition, the Group by obtaining funds from the proportionate loan is able to provide funding to other development projects.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are on normal commercial terms, which 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 in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II are 5% or more and all of such percentage ratios are less than 25%, the transactions contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II constituted a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and should have been subject to the notification and announcement requirements set out in the Listing Rules.

Suzhou Langkun is owned as to 55% by the Group, and 22.5% each by Jiangsu Huading and Jiangsu Zijin, therefore, Jiangsu Huading and Jiangsu Zijin are regarded as connected persons at subsidiary level. The transactions contemplated under the Supplemental Agreement to Loan Agreements I and Supplemental Agreement to Loan Agreements II constituted connected transactions for the Company with subsidiary level under Chapter 14A of the Listing Rules should have been subject to notification and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

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

Hong Kong, 21 December 2018

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Tian Ming, Ms. Shen Leying, Mr. Wang Lei, Ms. Zhou Qin and Mr. Xie Yuanjian, 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.*