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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 COOPERATION FRAMEWORK AGREEMENT

The Board announces that on 21 February 2019, Nanjing Langming, Xi'an Langshiming and the Project Company, wholly-owned subsidiaries of the Company, entered into the Agreement with Dening Fund, pursuant to which Dening Fund agreed to invest in the Subject Project held by the Project Company through the acquisition of the Sale Shares at the consideration of RMB14,000,000.

In addition, Dening Fund agreed to enter into the Shareholder's Loan Agreement with the Project Company, whereby Dening Fund conditionally agreed to provide Dening Fund Shareholder's Loan of not exceeding RMB126,000,000.

Upon fulfilling the agreed conditions, Xi'an Langshiming agreed to buy back the Sales Shares and Dening Fund Shareholder's Loan for a maximum amount of RMB280,000,000.

The Group is committed to finding suitable projects for expanding its real estate development business in the PRC. By introducing Dening Fund as a partner and jointly investing in the development of the Subject Project, the Group will diversify the investment risk, enhance the capital efficiency and generate sales proceeds. At the same time, through entering into the entrusted development management contract by the Project Company and Xi'an Langshiyue to provide the Group with the project management rights to the Subject Project, which will help the Group to increase the export of project development management services, expand business management scale, optimize revenue structure, and improve profitability, implementing the overall strategy of "Product Differentiation", "Asset-light" and "Earnings Diversification".

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Buy Back under the Agreement exceed 5% and all of such ratios are less than 25%, the Buy Back under the Agreement constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

However, the disposal of the Sale Shares under the Agreement does not constitute any notifiable transaction of the Company.

The Board announces that on 21 February 2019, Nanjing Langming, Xi'an Langshiming and the Project Company, wholly-owned subsidiaries of the Company, entered into the Agreement with Dening Fund, pursuant to which Dening Fund agreed to invest in the Subject Project held by the Project Company through the acquisition of the Sale Shares at the consideration of RMB14,000,000.

In addition, Dening Fund conditionally agreed to provide Dening Fund Shareholder's Loan of not exceeding RMB126,000,000 to the Project Company.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date

21 February 2019

Parties

- (i) Nanjing Langming (an indirect wholly-owned subsidiary of the Company)
- (ii) Xi'an Langshiming (an indirect wholly-owned subsidiary of the Company)
- (iii) Project Company (an indirect wholly-owned subsidiary of the Company)
- (iv) Dening Fund

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Dening Fund and its ultimate beneficial owner(s) are independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Subject Matter

Pursuant to the terms of the Agreement, Dening Fund agreed to invest in the Subject Project held by the Project Company through the acquisition of the Sale Shares at the consideration of RMB14,000,000. As at the date of this announcement, Xi'an Langshiming holds the entire equity interest in the Project Company and the registered capital of the Project Company is RMB20,000,000 which was fully paid by Xi'an Langshiming. In addition, Dening Fund agreed to enter into the Shareholder's Loan Agreement with the Project Company whereby Dening Fund conditionally agreed to provide the Dening Fund Shareholder's Loan of not exceeding RMB126,000,000. Together with the consideration for the Sale Shares of RMB14,000,000, Dening Fund shall invest a total amount of not exceeding RMB140,000,000 ("**Dening Fund Investment**") in the Project Company.

The principal business of the Project Company is real estate development and management. The Project Company holds the Subject Project and its relevant information is set out in the section headed "Information on the Subject Project" below.

Share transfer consideration

The consideration for transfer of the Sale Shares is RMB14,000,000, which was determined based on 70% of the equity interest of the Project Company held by Xi'an Langshiming.

Dening Fund Shareholder's Loan

Dening Fund shall provide the Dening Fund Shareholder's Loan of not exceeding RMB126,000,000 to the Project Company for the development of the Subject Project or other uses as agreed by Dening Fund.

The annual interest of the Dening Fund Shareholder's Loan is 12%.

Conditions precedent to the payment of consideration for Sale Shares and the provision of Dening Fund Shareholder's Loan

Payment of the consideration for Sale Shares by Dening Fund and the provision of Dening Fund Shareholder's Loan is subject to, among others, fulfillment of the following conditions:

- (1) the Project Company is approved and identified by the competent government department as the only development and construction entity of the Subject Project and has signed the state-owned land transfer agreement;
- (2) the Agreement has been signed and came into effect;
- (3) the entrusted development management contract has been signed by the Project Company and 西安朗詩樾企業管理諮詢有限公司 (Xi'an Langshiyue Enterprise Management Consulting Co., Ltd.*) ("**Xi'an Langshiyue**"), a wholly-owned subsidiary of the Company and being valid and effective;

- (4) Nanjing Langming has provided the shareholder loan of not less than RMB54,000,000 to the Project Company;
- (5) Xi'an Langshiming and the Project Company have confirmed that the information and representations and warranties disclosed in the Agreement are still valid, accurate, and without omission or misleading statements;
- (6) there being no event of default on the terms of the Agreement and the respective undertakings by Xi'an Langshiming and the Project Company; and
- (7) there being no existing or potential situations that have a material adverse impact on Xi'an Langshiming, the Project Company and/or the Subject Project.

Xi'an Langshiming and the Project Company shall use its best endeavour to ensure that all the above conditions precedent are fulfilled on or before 28 February 2019. Otherwise (except for reasons caused by Dening Fund), Dening Fund has the right to opt to:

- (1) Without prejudice to any rights of Dening Fund under the Agreement, Dening Fund has the right to require other parties to the Agreement to continue to perform the obligations in the Agreement and its appendices in accordance with any conditions precedent waived or modified by Dening Fund; or
- (2) terminate the Agreement by written notice to the other parties to the Agreement. The exercise of the rights of Dening Fund does not detract from its right to submit any claims and requests (including but not limited to damages) to the defaulting party in accordance with the Agreement.

Payment method of the consideration for Sale Shares and Provision of the Dening Fund Shareholder's Loan

Within 2 working days after all the above conditions precedent having been satisfied, Dening Fund shall pay the consideration for the Sale Shares to the co-managed account (the "**Share Transfer Co-managed Account**") set up in the name of Xi'an Langshiming.

Within 20 working days after the payment of the consideration for the Sale Shares, Xi'an Langshiming and the Project Company shall be responsible for the completion of the equity transfer of the Sale Shares, and within 2 working days after the registration of the industrial and commercial changes by the directors assigned by Dening Fund, Xi'an Langshiming could arrange dissolution of the Share Transfer Co-managed Account and deal with the consideration for Sale Shares in its own discretion.

Within 2 working days from the date upon all the above conditions have been fulfilled, Dening Fund shall provide the Dening Fund Shareholder's Loan to the Share Transfer Co-managed Account, and thereafter within 1 working day Xi'an Langshiming shall pay the full amount in the name of the Dening Fund Shareholder's Loan to the co-managed account set up in the name of the Project Company.

Upon completion of the transfer of the Sale Shares, the Project Company will cease to be a subsidiary of the Company which will be held as to 30% by the Group and 70% by Dening Fund, and will be accounted as a joint venture of the Company, the financial results of which will no longer be consolidated to the financial statements of the Group.

Management of the Project Company

The board of directors of the Project Company will be comprised of three directors, among whom one will be appointed by Dening Fund and two will be appointed by Xi'an Langshiming. The chairman of the board of directors shall be the director nominated by Xi'an Langshiming.

THE BUY BACK

Upon fulfilling any one of the conditions below, Xi'an Langshiming agreed to buy back the Dening Fund Investment for a maximum amount of RMB280,000,000 and the maximum amount was determined based on the consideration for the Sale Shares, the total maximum amount of the Dening Fund Shareholder's Loan provided to the Project Company, and the interest receivable, as well as the estimated unsold value of the remaining of the Subject Project.

The Buy Back shall be based on the earlier occurrence of the following dates:

- 1) The Subject Project sales rate reaches 95% and all sales proceeds have been received; or
- 2) 22 months from the completion of the settlement of Dening Fund Investment.

Guarantee for the Buy Back

Nanjing Langming shall issue a letter of commitment to Dening Fund. When Xi'an Langshiming and/or its designated third party fail to fulfill the Buy Back obligation under the agreed terms of the Agreement, Nanjing Langming unconditionally agreed to bear the corresponding joint and several liability.

INFORMATION ON THE PARTIES

Dening Fund is a limited liability partnership established in the PRC, its principal activities are real estate investment, business management consulting and financial management consulting.

The Project Company is a company incorporated in the PRC with limited liability. The principal activity of the Project Company is the holding of the Subject Project for real estate development and operation.

The net assets and total assets value of the Project Company as extracted from its unaudited accounts as at 31 December 2018 was approximately RMB16,051,000 and RMB90,151,000 respectively.

The financial results of the Project Company as extracted from the unaudited accounts for the two financial years ended 31 December 2018 are as follows:

	For the year ended 31 December	
	2017	2018
	(RMB)	(RMB)
Net loss before taxation and extraordinary items	120,000	103,000
Net loss after taxation and extraordinary items	90,000	78,000

INFORMATION ON THE SUBJECT PROJECT

The Subject Project is the real estate development project held by the Project Company, the details of which are as follows:

Address:	中國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 at the east of the Xihu Railway and the north of Kunming Road in Weiyang District, Xi'an City, Shaanxi Province, the PRC*)
Land use:	residential and commercial
Site area:	22,567.72 square meters
Total construction area:	89,629.50 square meters

REASONS FOR AND BENEFITS OF THE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

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 five 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 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 committed to finding suitable projects for expanding its real estate development business in the PRC. By introducing Dening Fund as a partner and jointly investing in the development of the Subject Project, the Group will diversify the investment risk, enhance the capital efficiency and generate sales proceeds. At the same time, through entering into the entrusted development management contract by the Project Company and Xi'an Langshiyue to provide the Group with the project management rights to the Subject Project, which will help the Group to increase the export of project development management services, expand business management scale, optimize revenue structure, and improve profitability, implementing the overall strategy of "Product Differentiation", "Asset-light" and "Earnings Diversification".

Based on the foregoing, the Directors (including the independent non-executive 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.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Buy Back under the Agreement exceed 5% and all of such ratios are less than 25%, the Buy Back under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

However, the disposal of the Sale Shares under the Agreement does not constitute any notifiable transaction of the Company.

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 Shares and the provision of the Dening Fund Shareholder’s Loan
“Board”	the board of Directors of the Company
“Buy Back”	Xi’an Langshiming shall buy back the Dening Fund Investment for a maximum amount of RMB280,000,000 pursuant to the agreed terms
“Company”	Landsea Green Group 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伙企業 (Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“Dening Fund Shareholder’s Loan”	the shareholder’s loan to be provided by Dening Fund to the Project Company, the amount of which shall not exceed RMB126,000,000
“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
“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 which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Shares”	70% equity interest in the Project Company
“Shareholder’s Loan Agreement”	the shareholder’s loan agreement to be entered into between the Project Company and Dening Fund relating to the provision of the Dening Fund Shareholder’s Loan by Dening Fund to the Project Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 wholly-owned by Xi’an Langshiming as at the date of this announcement, which is the sole legal and beneficial owner of the Subject Project
“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*)
“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
“%”	per cent

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

Hong Kong, 21 February 2019

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.

** For identification purposes only*