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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)

CONTINUING CONNECTED TRANSACTION

CONTINUING CONNECTED TRANSACTION FOR THE VENUES, FACILITIES AND EQUIPMENT RENTAL AND PROMOTIONAL DISPLAY SERVICES

On 2 November 2018, the Company entered into the Services Framework Agreement with Landsea Group, pursuant to which the Group shall entrust Landsea Group or its subsidiaries to provide Venues, Facilities and Equipment Rental for application testing of green residential products and Promotional Display Services.

Landsea Group is the controlling Shareholder of the Company, which is deemed to be interested in approximately 51% of the issued share capital of the Company as at the date of this announcement. Therefore, Landsea Group is a connected person of the Company and the transactions contemplated under the Services Framework Agreement constitute continuing connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

Reference is made to (i) the announcement of the Company dated 25 December 2017 in relation to, among others, the Agreement; and (ii) the announcement of the Company dated 13 February 2018 in relation to, among others, the Decoration Services Agreement. As one of the parties to the Agreement and the Decoration Services Agreement is Landsea Group, the transactions contemplated under the Services Framework Agreement should be aggregated with the Agreement and the Decoration Services Agreement pursuant to Rule 14A.83 of the Listing Rules. As the applicable ratios calculated in relation to the aggregated annual transaction amounts under the Services Framework Agreement together with the Agreement and the Decoration Services Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the Services Framework Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTION FOR THE SERVICES FRAMEWORK AGREEMENT

Date

2 November 2018

Parties

- (1) the Company; and
- (2) Landsea Group

Subject matter

The Company and its subsidiaries will entrust Landsea Group or its subsidiaries, including Changxing Company, by its green residential products display base in Changxing County, Zhejiang Province, the PRC (“**Changxing Base**”) to provide application testing sites for the Group’s green residential products system integration business, the related facilities and equipment rental as well as related facilities and equipment maintenance services, and also provide promotional services for the Group’s green residential products and brand.

Venues, Facilities and Equipment Rental and Promotional Display Services include:

- (1) providing rental of the construction experimental building, low-density laboratory building and green house experimental building in Changxing Base as application testing sites and lease of related facilities and equipment, and provision of maintenance services for the related facilities and equipment; and
- (2) according to the number of times required, to display in the Changxing Base the results of the application achievements of green residential products, history and the development of green products, and the green concept of the Group.

Pricing and payment

Pursuant to the Services Framework Agreement, the price for provision of Venues, Facilities and Equipment Rental and Promotional Display Services by Landsea Group shall use the prevailing market price as the pricing standard and basis.

The payment terms of the Venues, Facilities and Equipment Rental and Promotional Display Services will be based on normal commercial terms and common practice, and are not higher than those offered by the Group to independent third parties.

The pricing and payment terms are determined after arm's length negotiation by principally taking into account the market price for similar services payable by the Group to independent third parties. In order to make sure the prices actually charged by Landsea Group are on normal commercial terms and are not less favourable than those offered to independent third parties, the Group will obtain quotations from independent third parties and conduct inspection to review and assess whether the services are carried out pursuant to the relevant agreement and are not less favourable than those terms offered by Landsea Group to independent third parties before entering into any new transaction.

Term

The term of the Services Framework Agreement will be from 1 January 2019 to 31 December 2021.

Annual caps

The respective annual caps for the Venues, Facilities and Equipment Rental and Promotional Display Services under the Services Framework Agreement for each of the three years commencing from 1 January 2019 to 31 December 2021 are as below:

Period	Annual cap <i>RMB'million</i>
For the year ending 31 December 2019	12
For the year ending 31 December 2020	14
For the year ending 31 December 2021	16

The annual caps are determined by reference to the estimated annual demand of the Group for the three years ending 31 December 2021.

REASONS FOR ENTERING INTO THE SERVICES FRAMEWORK AGREEMENT

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 of America.

Application testing of green residential products and external publicity are the normal needs of the Group's daily operation. The purpose is to build the core capabilities of the Group, enhance the quality of the Group's products, and provide users with a healthier, more comfortable, energy-saving and environmentally friendly product experience, so as to increase the Group's products premium capability. Changxing Base was built by Landsea Group with an investment of RMB220 million and the base covers an area of 60 acres. All the planning and design are jointly completed by professional teams from Germany and Japan with the integration of scientific and technological innovation, testing, display and life. The base is capable of green building design integration, building decorations integration, and provision of integrated services for conferencing, training and display. Therefore, by leasing Changxing Company's venues, facilities and equipment, for application testing of green residential products and entrusting them to publicize the Group's green product achievements and concepts, it will help to enhance the influence of the Group's brand and attract potential customers and partners. In the long run, it will bring benefits to the Group and will be beneficial to the Company and its Shareholders as a whole.

Based on the foregoing, the Directors (including the independent non-executive Directors but excluding Mr. Tian) are of the view the Services Framework Agreement is entered into in the ordinary and usual course of the business of the Company, on normal commercial terms, the terms of which are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

GENERAL

At the Board meeting held for approving the Services Framework Agreement, as Mr. Tian, the chairman of the Company and an executive Director, is beneficially interested in approximately 43.28% of Landsea Group, he was deemed to have interest in the transactions contemplated under the Services Framework Agreement. Therefore, Mr. Tian has abstained from voting in respect of the resolutions for approving the Services Framework Agreement.

LISTING RULES IMPLICATIONS

Reference is made to (i) the announcement of the Company dated 25 December 2017 in relation to, among others, the properties services and consulting agreement (the "**Agreement**") entered into by the Company and Landsea Group, and (ii) the announcement of the Company dated 13 February 2018 in relation to, among others, the Decoration Services Agreement. As one of the parties to the Agreement and the Decoration Services Agreement is Landsea Group, the transactions contemplated under the Services Framework Agreement should be aggregated with the Agreement and the Decoration Services Agreement pursuant to Rule 14A.83 of the Listing Rules. As the applicable ratios calculated in relation to the aggregated annual transaction amounts under the Services Framework Agreement together with the Agreement and the Decoration Services Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the Services Framework Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Changxing Company”	長興朗詩綠建科技有限公司 (Changxing Landsea Green Construction Technology Co., Ltd.*), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Landsea Group
“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)
“connected person(s)”	has the meaning as defined under the Listing Rules
“Decoration Services Agreement”	the decoration services framework agreement dated 13 February 2018 entered into by the Company and Landsea Group
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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, which is deemed to be interested in approximately 51% of the share capital of the Company, the ultimate controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tian”	Mr. Tian Ming, the chairman and executive Director 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
“Services Framework Agreement”	the venues, facilities and equipment rental and promotional display services framework agreement entered into between the Company and Landsea Group on 2 November 2018
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Venues, Facilities and Equipment Rental and Promotional Display Services”	the venues, facilities and equipment rental and promotional display services to be provided by Landsea Group or its subsidiaries to the Group pursuant to the terms of the Services Framework Agreement
“%”	percentage

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

Hong Kong, 2 November 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 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*