

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
RELATING TO PROVISION OF FINANCIAL ASSISTANCE**

The Board announces that on 15 August 2018, Xi'an Langshiming, a wholly-owned subsidiary of the Company, entered into the Agreement with the Borrowers and the Guarantor, pursuant to which Xi'an Langshiming conditionally agreed to grant the Borrowers no more than a total of RMB180,000,000.

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 Agreement are more than 5% and all of such percentage ratios are less than 25%, the transactions contemplated under the Agreement constituted a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the notification and announcement requirements set out under Chapter 14 of the Listing Rules.

The Board announces that on 15 August 2018, Xi'an Langshiming, a wholly-owned subsidiary of the Company, entered into the Agreement with the Borrowers and the Guarantor, pursuant to which Xi'an Langshiming conditionally agreed to grant the Borrowers no more than a total of RMB180,000,000. The Loan shall be secured by the 100% equity interest of the Target Company to control the risks on the Group for provision of the Loan. The conditions precedent to the Loan including, among others, that Xi'an Langshiming or its designated related party shall enter into Entrusted Development Management Contract with the Target Company and entrust Xi'an Langshiming or its designated related party to provide project development management services for the residential part of the Land.

The principal terms of the Agreement are set out as follows:

Date

15 August 2018

Parties

<i>Lender</i>	Xi'an Langshiming, a wholly-owned subsidiary of the Company
<i>Borrowers</i>	Loan (I) Mr. Zhao Loan (II) Jiayi Real Estate
<i>Guarantor</i>	Mr. Zhao
<i>Loan principle:</i>	Loan (I) RMB25,500,000 Loan (II) RMB154,500,000
<i>Loan Term:</i>	Loan (I) The loan term is from the withdrawal within 10 working days after the fulfillment of the conditions precedent as set out below, to not more than 30 days after the sales of the residential products of the Target Company reaches 97%. Loan (II) The loan term is from the withdrawal within 5 working days after the fulfillment of the conditions precedent as set out below, to not more than 18 months after the date of withdrawal
<i>Interest rate:</i>	an annual interest rate of not less than 15% during the term of the Loan
<i>Security for the Loan:</i>	The Guarantor shall (i) transfer the 51% equity interest of the Target Company to be held by him to Xi'an Langshiming as security for Loan (I); and (ii) pledge the 49% equity interest of the Target Company to be held by him as security for Loan (II). The Guarantor will transfer the 51% equity interest of the Target Company to be held by him to Xi'an Langshiming as security and after completing the relevant industrial and commercial changes registration procedures, Xi'an Langshiming will have the right to appoint two directors to participate in the management of the daily operation of the Target Company, in order to ensure that the Loan shall be properly used in the real estate development project on the Land. Although Xi'an Langshiming will hold 51% equity interest in the Target Company, it will not share the income distribution of the Target Company and will not bear any risks and liabilities of the Target Company. After the Borrowers repay the Loan, such equity interest will be transferred back to the Guarantor.

The Guarantor will use the 49% equity interest of the Target Company to be held by him as the pledge and guarantee to undertake the irrevocable joint guarantee responsibility for Loan (II).

Repayment: subject to the term of the Loan and repayment of the Loan in advance or partial repayment of the Loan is permitted

The terms of the Agreement were arrived at after arm's length negotiation between the parties. The Directors consider that the terms of the Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

ENTRUSTED DEVELOPMENT MANAGEMENT SERVICES

Pursuant to the Agreement, Xi'an Langshiming or its designated related party shall enter into the Entrusted Development Management Contract with the Target Company, and entrust Xi'an Langshiming or its designated related party to provide project development management services for the residential part of the Land. The project development management services to be provided by Xi'an Langshiming or its designated related party cover 16 aspects including customer survey, project positioning planning, planning and design management, sales management, procurement management, cost control, engineering construction management, construction and debugging management of green products system and financing consulting. Xi'an Langshiming or its designated related party will charge from the Target Company a certain percentage of the total sales of the residential part of the Land as the entrusted development services fee.

Conditions precedent

The provision of the Loan by Xi'an Langshiming is subject to, among others, the fulfillment (or written waiver by Xi'an Langshiming) of the following conditions precedent:

Loan (I)

- (1) The Guarantor shall cooperate with Xi'an Langshiming to entrust a third party to conduct financial and legal due diligence and supplementary due diligence on the Target Company and the Land and the results of which shall meet the needs and requirements of Xi'an Langshiming;
- (2) The Guarantor shall hold 100% of the equity interest in the Target Company, without any pledge, seizure or other rights restrictions or defects;
- (3) Xi'an Langshiming shall have completed the inspection of the project construction general contractor entrusted by the Target Company;
- (4) The Guarantor shall have registered the 51% equity interest of the Target Company to be held by him under the name of Xi'an Langshiming, and completed the industrial and commercial registration procedures for the equity transfer of the Target Company; and

(5) Complete the signing of the “Entrusted Development Management Contract”.

Loan (II)

(1) satisfy all the conditions precedent above of Loan (I); and

(2) Completion of the procedures of the pledge by the Guarantor of the 49% equity interest of the Target Company to the third party designated by Xi'an Langshiming.

The parties will endeavor to procure the fulfillment (or waiver) of the conditions precedent 1 to 3 above for Loan (I) within 45 days after signing the Agreement. Otherwise, Xi'an Langshiming shall have the right to terminate the Agreement by written notice.

INFORMATION ON THE BORROWERS

The Guarantor, currently holding 10% equity interest in the Target Company, has entered into an agreement with a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company to acquire 90% equity interest in the Target Company.

Jiayi Real Estate is a company established under the laws of the PRC which holds the Land and the real estate development projects on the Land. The principal business of Jiayi Real Estate is real estate development.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrowers are independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

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

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

Through the Agreement, the Group can obtain capital gains by investing idle funds in the project, and improve the efficiency of capital use under the premise of controllable risks. The Loan is actually secured by 100% equity interest of the Target Company, which effectively protects the Group from the risk of the Loan.

At the same time, the Group also obtained the right to provide project management for the project through entering into the Entrusted Development Management Contract, which expands the range of the Group's project development management services and the scope of business management, optimizes income structure, improves profitability and therefore is in line with the asset-light development strategy of the Group.

Based on the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms, which are fair and reasonable and are in the 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 Agreement are more than 5% and all of such percentage ratios are less than 25%, the transactions contemplated under the Agreement constituted a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is therefore subject to the notification and announcement requirements set out under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement dated 15 August 2018 entered into by Xi’an Langshiming, the Borrowers and the Guarantor, pursuant to which Xi’an Langshiming grants the Loan to the Borrowers
“Board”	the board of Directors
“Borrowers”	Jiayi Real Estate and Mr. Zhao
“Company”	Landsea Green Group 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	中國西安市曲江新區雁南五路與啟元路西南角(Yannan 5th Road and Southwest Corner of Qiyuan Road, Qujiang New District, Xi’an, China*)
“Loan”	collectively, the Loan (I) and the Loan (II) of not more than RMB180,000,000 to be provided by Xi’an Langshiming to the Borrowers

“Loan (I)”	the loan of RMB25,500,000 to be provided by Xi’an Langshiming to Mr. Zhao
“Loan (II)”	the loan of RMB154,500,000 to be provided by Xi’an Langshiming to the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhao” or “Guarantor”	Mr. Zhao Fangni
“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
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Jiayi Real Estate”	西安嘉益房地產開發有限公司(Xi’an Jiayi Real Estate Development Company Limited*), a company incorporated in the PRC with limited liability
“Xi’an Langshiming”	西安朗詩銘房地產開發有限公司(Xi’an Langshiming Real Estate Development Company Limited*), a company incorporated in the PRC and is a 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, 15 August 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*