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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)

**DISCLOSEABLE TRANSACTION AND
EXEMPTED CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE REMAINING 45% EQUITY INTEREST
IN A NON WHOLLY-OWNED SUBSIDIARY**

EQUITY TRANSFER AGREEMENT I

On 31 May 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, Jiangsu Huading and the Target Company entered into the Equity Transfer Agreement I, pursuant to which, the Purchaser agreed to purchase, and Jiangsu Huading agreed to sell, the Equity Interest I, representing 22.5% of the entire equity interest in the Target Company, for a consideration of RMB41,377,657.50.

EQUITY TRANSFER AGREEMENT II

The Purchaser succeeded in the bidding for 22.5% equity interest in the Target Company through Shanghai United Assets and Equity Exchange. On 31 May 2022, the Purchaser and Jiangsu Zijin entered into the Equity Transfer Agreement II, pursuant to which, the Purchaser agreed to purchase, and Jiangsu Zijin agreed to sell, the Equity Interest II, representing 22.5% of the entire equity interest in the Target Company, for a consideration of RMB41,377,657.50.

As at the date of the Equity Transfer Agreement I and the Equity Transfer Agreement II, the Target Company is an indirect non wholly-owned subsidiary of the Company and held as to 55% by the Purchaser, 22.5% by Jiangsu Huading and 22.5% by Jiangsu Zijin. Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisition is 5% or more and all of such ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of the Equity Transfer Agreement I and the Equity Transfer Agreement II, each of Jiangsu Huading and Jiangsu Zijin holds 22.5% equity interests in the Target Company, respectively. Accordingly, each of Jiangsu Huading and Jiangsu Zijin is a substantial shareholder of the Target Company and a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. The Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (1) each of Jiangsu Huading and Jiangsu Zijin is a connected person at the subsidiary level; (2) the Board has approved the Acquisition; and (3) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE ACQUISITION

EQUITY TRANSFER AGREEMENT I

On 31 May 2022, the Purchaser, an indirect wholly-owned subsidiary of the Company, Jiangsu Huading and the Target Company entered into the Equity Transfer Agreement I.

The principal terms of the Equity Transfer Agreement I are set out below:

Subject matter

Pursuant to the Equity Transfer Agreement I, the Purchaser agreed to purchase and Jiangsu Huading agreed to sell, the Equity Interest I, representing 22.5% of the entire equity interest in the Target Company.

Consideration and the basis of the consideration

The consideration for the acquisition of the Equity Interest I is RMB41,377,657.50.

The consideration was determined through arm's length negotiations between the Purchaser and Jiangsu Huading on normal commercial terms with reference to (i) the appraised value of the Target Company of RMB183,900,700 as per the Valuation Report multiplied by the equity percentage in the Target Company represented by the Equity Interest I; and (ii) the factors contained in "Reasons for and benefits of the Acquisition" in this announcement.

Settlement of consideration and total debts

As at the date of the Equity Transfer Agreement I, Jiangsu Huading was indebted to the Target Company for the principal amount of RMB78,416,371.88 (the “**Total Debt**”). Pursuant to the Equity Transfer Agreement I, the Target Company would assign to the Purchaser the benefit of RMB41,377,657.50 out of the Total Debt such that Jiangsu Huading would become indebted to the Purchaser for RMB41,377,657.50 which would set off against the consideration payable by the Purchaser under the Equity Transfer Agreement I.

The balance of the Total Debt and interest accrued in the amount of RMB75,999,627.06 will be paid by two instalments as to RMB38,000,000 before 6 June 2022 and as to RMB37,999,627.06 before 30 October 2022 (in any event not later than 30 December 2022).

Completion

Completion of the acquisition of the Equity Interest I will take place on the day of completion of registration of the transfer of the Equity Interest I approved by the relevant regulatory authorities.

EQUITY TRANSFER AGREEMENT II

The Purchaser succeeded in the bidding for 22.5% equity interest in the Target Company through Shanghai United Assets and Equity Exchange (上海聯合產權交易所). On 31 May 2022, the Purchaser and Jiangsu Zijin entered into the Equity Transfer Agreement II.

Subject matter

Pursuant to the Equity Transfer Agreement II, the Purchaser agreed to purchase and Jiangsu Zijin agreed to sell, the Equity Interest II, representing 22.5% of the entire equity interest in the Target Company.

Consideration and the basis of the consideration

Pursuant to the Equity Transfer Agreement II, the total consideration for the acquisition of Equity Interest II is RMB41,377,657.50. The consideration was reached through the public listing process at Shanghai United Assets and Equity Exchange and with reference to the appraised value of the Target Company of RMB183,900,700 as per the Valuation Report multiplied by the equity percentage in the Target Company represented by the Equity Interest II; and (ii) the factors contained in “Reasons for and benefits of the Acquisition” in this announcement. The public listing process was conducted in accordance with the relevant laws and regulations of the PRC.

The total consideration payable under the Equity Transfer Agreement II will be funded by the Group’s internal resources.

Payment of consideration

The Purchaser has paid a security deposit of RMB12,410,000 to the Shanghai United Assets and Equity Exchange which would be automatically converted into part of the consideration for the acquisition of Equity Interest II. Pursuant to the Equity Transfer Agreement II, the remaining balance of the consideration in the amount of RMB28,967,657.50 will be payable

to the Shanghai United Assets and Equity Exchange within five business days after the date of the Equity Transfer Agreement II. The certificate of property transaction will be issued by Shanghai United Assets and Equity Exchange after receipt of all fees due to it and the full amount of the consideration under the Equity Transfer Agreement II. Shanghai United Assets and Equity Exchange will then transfer all of the consideration monies to Jiangsu Zijin within three business days from the date of the issuance of the certificate of property transaction.

Completion

Within 20 business days from the date of the issuance of the certificate of property transaction, the Purchaser and Jiangsu Zijin shall submit the information required for the industrial and commercial registration procedures for the transfer of the Equity Interest II to complete the acquisition.

INFORMATION ON THE PARTIES

The Purchaser

The Purchaser is a company established under the laws of the PRC with limited liability, and principally engaged in investment holding. It is indirectly wholly-owned by the Company.

Jiangsu Huading

Jiangsu Huading is a company established under the laws of the PRC with limited liability. Jiangsu Huading is principally engaged in equity investment and investment management. To the best of the knowledge of the Directors, Jiangsu Huading is owned as to 92% by 張家港保稅區盛泰投資有限公司 (Zhangjiagang Free Trade Zone Sheng Tai Investment Co. Ltd.*) (“**Sheng Tai Investment**”) and as to 8% by Zhang Ziyan (張子燕), a natural person; Sheng Tai Investment is owned as to approximately 50.25% by 張家港保稅區鑫輝企業管理合夥企業(有限合夥) (Zhangjiagang Free Trade Zone Xinhui Enterprise Management Partnership (Limited Partnership)*) (“**Xinhui Management**”) and as to approximately 49.75% by 張家港保稅區國成商務諮詢合夥企業(有限合夥) (Zhangjiagang Free Trade Zone Guocheng Business Consulting Partnership Enterprise (Limited Partnership)*) (“**Guocheng Business**”). Xinhui Management is owned as to approximately 14.92% by Zhang Ziyan (張子燕), 10.24% by Chen Xiaodong (陳曉東), 7.24% by Wu Jing (吳靜), 6.11% by Chang Renfeng (常仁豐), 5.60% by Shi Xiaolei (施小雷), 5.11% by Yang Ge (楊革) and as to an aggregate of approximately 50.78% by 31 individuals, each of whom holds not more than 5% and to the knowledge of the Company, these individuals are independent of each other. Guocheng Business is owned as to approximately 33.63% by Zhang Ziyan (張子燕), 6.86% by Han Wei (韓偉), 6.86% by Wen Zhenying (聞振英), 5.08% by Huang Mingkang (黃明康) and as to an aggregate of approximately 47.57% held by 35 individuals, each of whom holds not more than 5% and to the knowledge of the Company, these individuals are independent of each other.

Jiangsu Zijin

Jiangsu Zijin is a company established under the laws of the PRC with limited liability, and being a 22.5% owner of the Target Company as at the date of this announcement. Jiangsu Zijin is principally engaged in equity investment and investment management. To the best of the knowledge of the Directors, Jiangsu Zijin is wholly-owned by 江蘇國泰國際集團股份有限公司 (Jiangsu Guotai International Group Co., Ltd*), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002091).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save as shareholders of the Target Company, each of Jiangsu Huading and Jiangsu Zijin and their respective ultimate beneficial owners is independent of the Company and connected persons of the Company.

The Target Company

The Target Company is a company established under the laws of the PRC with limited liability, and is principally engaged in property development.

Set out below are the audited financial information of the Target Company for the two financial years ended 31 December 2020 and 31 December 2021, respectively:

	For the year ended 31 December 2020 (RMB)	For the year ended 31 December 2021 (RMB)
Profit before taxation	304,376,833	36,579,974
Profit after taxation	228,282,625	28,571,803

The audited consolidated net asset value of the Target Company as at 31 January 2022 was approximately RMB183,366,995.

As at the date of this announcement, the Target Company is an indirect non wholly-owned subsidiary of the Company and held as to 55% by the Purchaser, 22.5% by Jiangsu Huading and 22.5% by Jiangsu Zijin. Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and sales of properties in the PRC and the United States. The Target Company is principally engaged in property development in the PRC. The Company considers the Acquisition represents the Company's acquisition of full control over the Target Company, which will enable the Company to make more effective use of the surplus cash in the Target Company.

Each of the considerations for transferring Equity Interest I and Equity Interest II is the same as the initial bidding price under the public tender via Shanghai United Assets and Equity Exchange which was determined based on the Valuation Report. The Directors are of the view that the considerations in the Acquisition is favourable to the Company.

The Directors (including the independent non-executive Directors) consider the terms of the Equity Transfer Agreement I and the Equity Transfer Agreement II are fair and reasonable and the Acquisition is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under either Equity Transfer Agreement I or Equity Transfer Agreement II or is required to abstain from voting from the Board resolutions for considering and approving the same pursuant to the bye-laws of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisition is 5% or more and all of such ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of the Equity Transfer Agreement I and the Equity Transfer Agreement II, each of Jiangsu Huading and Jiangsu Zijin holds 22.5% equity interests in the Target Company, respectively. Accordingly, each of Jiangsu Huading and Jiangsu Zijin is a substantial shareholder of the Target Company and a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. The Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, since (1) each of Jiangsu Huading and Jiangsu Zijin is a connected person at the subsidiary level; (2) the Board has approved the Acquisition; and (3) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Equity Interests by the Purchaser from Jiangsu Huading and Jiangsu Zijin
“Board”	board of Directors
“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)
“connected persons(s)”	has the meanings as defined in the Listing Rules
“Directors”	directors of the Company
“Equity Interest I”	22.5% equity interest in the Target Company
“Equity Interest II”	22.5% equity interest in the Target Company
“Equity Interests”	Equity Interest I and Equity Interest II
“Equity Transfer Agreement I”	the equity transfer agreement dated 31 May 2022 entered into by the Purchaser, Jiangsu Huading and the Target Company in relation to the acquisition of Equity Interest I
“Equity Transfer Agreement II”	the equity transfer agreement dated 31 May 2022 entered into by the Purchaser and Jiangsu Zijin in relation to the acquisition of Equity Interest II
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Huading”	江蘇國泰華鼎投資有限公司 (Jiangsu Guotai Huading Investment Company Limited*), a limited liability company established under the laws of the PRC, and being a 22.5% owner of the Target Company
“Jiangsu Zijin”	江蘇國泰紫金科技發展有限公司 (Jiangsu Guotai Zijin Technology Development Company Limited*), a limited liability company established under the laws of the PRC, and being a 22.5% owner of the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

“Purchaser”	上海朗毓商業管理有限公司 (Shanghai Langyu Commercial Management Limited*), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	蘇州朗坤置業有限公司 (Suzhou Langkun Properties Company Limited*), a limited liability company established under the laws of the PRC, an indirect non wholly-owned subsidiary of the Company as at the date of this announcement
“Valuation Report”	the valuation report dated 11 March 2022 issued by Jiangsu Zhongqi Huazhongtian Assets Appraisal Co., Ltd. (江蘇中企華中天資產評估有限公司), an independent third party valuer, for the valuation of the 100% equity interest in the Target Company as of 31 January 2022 using asset-based approach
“%”	Per cent.

* *The English translation of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

For and on behalf of the Board
Landsea Green Properties Co., Ltd.
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, 31 May 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Tian Ming and Mr. Huang Zheng, the non-executive Directors of the Company are Mr. Xu Liang and Mr. Liu Pengpeng, and the independent non-executive Directors of the Company are Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.