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## **Landsea Green Life Service Company Limited**

**朗詩綠色生活服務有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock code: 1965)**

**(I) DISCLOSEABLE AND CONNECTED TRANSACTION:  
ACQUISITION OF ENTIRE EQUITY INTERESTS  
IN THE TARGET COMPANY  
(II) CONTINUING CONNECTED TRANSACTION:  
OPERATION AND MANAGEMENT FRAMEWORK AGREEMENT**

**Financial adviser of the Company**



RAINBOW CAPITAL (HK) LIMITED  
流博資本有限公司

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



### **THE EQUITY TRANSFER AGREEMENT**

On 16 December 2022, the Purchaser (a wholly-owned subsidiary of the Company), the Vendors and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendors agreed to sell, the entire equity interests in the Target Company at a consideration of RMB201,700,000. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

### **THE OPERATION AND MANAGEMENT FRAMEWORK AGREEMENT**

On 16 December 2022, the Target Company (for itself and on behalf of the other members of the Target Group) and Shanghai Landsea Apartment (for itself and on behalf of the other members of the Shanghai Landsea Apartment Group) entered into the Operation and Management Framework Agreement, pursuant to which the members of the Target Group will provide the members of the Shanghai Landsea Apartment Group with apartment long-term lease operation and management services.

## **LISTING RULES IMPLICATIONS**

### **The Equity Transfer Agreement**

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% and all of such ratios are less than 25%, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Tian is a non-executive Director and the controlling shareholder of the Company and thus a connected person of the Company. The First Vendor is ultimately owned as to 50% by Mr. Tian. Accordingly, the First Vendor is an associate of Mr. Tian and thus a connected person of the Company. Therefore, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and are also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **The Operation and Management Framework Agreement**

As at the date of this announcement, Mr. Tian is a non-executive Director and the controlling shareholder of the Company and thus a connected person of the Company. Shanghai Landsea Apartment is ultimately owned as to 50% by Mr. Tian. Accordingly, Shanghai Landsea Apartment is an associate of Mr. Tian and thus a connected person of the Company. Therefore, upon Completion, the Operation and Management Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profit ratio) in respect of the proposed annual caps under the Operation and Management Framework Agreement is more than 5% and the highest amount of them is greater than HK\$10,000,000, the Operation and Management Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder where Mr. Tian and his associates and any other Shareholders who have a material interest in such transactions shall abstain from voting on the resolutions approving the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder.

A circular containing, among other things, details of the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice convening the EGM will be despatched to the Shareholders on or before 11 January 2023.

## **THE EQUITY TRANSFER AGREEMENT**

On 16 December 2022, the Purchaser (a wholly-owned subsidiary of the Company), the Vendors and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendors agreed to sell, the entire equity interests in the Target Company at a consideration of RMB201,700,000.

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

### **Subject matter**

Pursuant to the Equity Transfer Agreement, the Purchaser agreed to acquire, and the First Vendor agreed to sell, 99% equity interests in the Target Company, and the Purchaser agreed to acquire, and the Second Vendor agreed to sell, 1% equity interests in the Target Company. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Company.

### **Consideration**

The Consideration is RMB201,700,000, of which RMB199,683,000 is payable to the First Vendor, and RMB2,017,000 is payable to the Second Vendor.

The Consideration shall be settled by cash by the Purchaser to the Vendors and is intended to be funded by the Group's internal resources.

The Consideration was determined on the basis of normal commercial terms and after arm's length negotiations among the parties to the Equity Transfer Agreement, with reference to the preliminary valuation of the Target Company of approximately RMB201,700,000 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, as at 30 November 2022 using the market approach.

## **Payment schedule, conditions precedent and Completion**

### *Deposit*

Within 15 business days of the date of the Equity Transfer Agreement, the Purchaser shall pay a deposit in the amount of RMB30,000,000 (the "**Deposit**") to the First Vendor.

### *First Payment*

Within 15 business days of the satisfaction or waiver by the Purchaser of the following conditions precedent (the "**First Payment Conditions Precedent**"), the Purchaser shall pay to the First Vendor an amount equal to RMB80,680,000 (the "**First Payment**"), representing 40% of the Consideration. The Deposit already paid by the Purchaser to the First Vendor will be applied towards the payment of the First Payment.

The First Payment Conditions Precedent are as follows:

- (1) the Purchaser has completed the business, financial and legal due diligence of the Target Group Companies and is satisfied with the results of the due diligence;
- (2) the shareholders of the Target Company have passed resolutions to approve the following matters:
  - (i) the transactions contemplated under the Equity Transfer Agreement; and
  - (ii) the execution and performance by the Target Company of the Equity Transfer Agreement, the amendments to the articles of association of the Target Company and other necessary transaction documents;
- (3) the Vendors have agreed in writing to waive the exercise of the pre-emptive right in respect of the transactions contemplated under the Equity Transfer Agreement;
- (4) the Equity Transfer Agreement has been executed by all parties thereto and the original or scanned copy of which has been delivered to the Purchaser;
- (5) the representations and warranties made by the Vendors and the Target Company under the Equity Transfer Agreement are true, accurate and complete, and neither the Vendors nor the Target Company has breached the Equity Transfer Agreement; and
- (6) the Independent Shareholders have passed resolutions at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

The condition precedent set out in paragraph (6) above cannot be waived. The Purchaser may waive the conditions precedent set out in paragraphs (1) to (5) above.

If any of the conditions precedent set out above cannot be satisfied or waived (as applicable) on or before the Long Stop Date, the Equity Transfer Agreement shall automatically terminate and the First Vendor shall within 5 business days of the Long Stop Date return to the Purchaser the Deposit and other amounts paid by the Purchaser to the First Vendor under the Equity Transfer Agreement (if any).

Within 30 business days of the receipt of the First Payment by the First Vendor, the Vendors and the Target Company shall complete the registration of the changes contemplated under the Equity Transfer Agreement with the competent authority for industry and commerce (the “**Industry and Commerce Registration**”).

#### *Second Payment*

Within 15 business days of the date of the Industry and Commerce Registration, the Purchaser shall pay to the Vendors an amount equal to RMB80,680,000 (the “**Second Payment**”), representing 40% of the Consideration, of which RMB79,873,200 is payable to the First Vendor, and RMB806,800 is payable to the Second Vendor.

#### *Completion*

Completion shall take place on the date falling 5 business days after the following conditions are satisfied or waived by the Purchaser or on such other date as may be agreed by the parties (i.e. the Completion Date):

- (1) the Purchaser has paid the First Payment to the First Vendor;
- (2) the Purchaser has paid the Second Payment to the Vendors;
- (3) the Industry and Commerce Registration has been completed; and
- (4) the representations and warranties made by the Vendors and the Target Company under the Equity Transfer Agreement are true, accurate and complete, and neither the Vendors nor the Target Company has breached the Equity Transfer Agreement.

#### *Third Payment*

Within 15 business days of the Completion Date, the Purchaser shall pay to the Vendors an amount equal to RMB40,340,000 (the “**Third Payment**”), representing 20% of the Consideration, of which RMB39,129,800 is payable to the First Vendor, and RMB1,210,200 is payable to the Second Vendor.

#### **Undertaking by the First Vendor**

The First Vendor undertakes to the Purchaser that the audited net profit after tax of the Target Company in 2023 after deducting non-recurring profits and losses shall not be less than RMB26,600,000 (the “**2023 Guaranteed Profit**”), according to the Hong Kong Financial Reporting Standards.

The 2023 Guaranteed Profit was determined by the First Vendor and the Company after arm's length negotiation with reference to the current operation status of the existing projects as well as the expected growth of the business undertaken by the Target Group.

If the actual audited net profit after tax of the Target Company after deducting non-recurring profits and losses (the “**2023 Actual Profit**”) in 2023 is lower than the 2023 Guaranteed Profit, the First Vendor shall pay the Purchaser a performance compensation amount calculated according to the following formula within 15 business days from the date of receipt of the notice from the Purchaser:

$$\left( \frac{2023 \text{ Guaranteed Profit} - 2023 \text{ Actual Profit}}{2023 \text{ Guaranteed Profit}} \right) \times \text{Consideration}$$

If the performance compensation amount calculated according to the above formula is less than or equal to zero, the First Vendor shall not be required to pay any performance compensation.

### **Information on the Parties to the Equity Transfer Agreement**

The First Vendor is a company established in the PRC which is principally engaged in investment holding. It is indirectly wholly-owned by Shanghai Landsea Apartment, which is in turn indirectly wholly-owned by Shanghai Liyu. Shanghai Liyu is held:

- (1) as to 50% by Nanjing Dingchong Investment Management Consultancy Limited\* (南京鼎重投資管理顧問有限公司), a company held as to 100% by Mr. Tian;
- (2) as to 26.1953% by Nanjing Textile Import & Export Co., Limited\* (南京紡織品進出口股份有限公司) (“**Nanjing Textile**”), a company listed on the Shanghai Stock Exchange (600250). Based on public information, Nanjing Tourism Group Co., Ltd. (南京旅遊集團有限責任公司) (“**Nanjing Tourism Group**”) is the single largest shareholder of Nanjing Textile holding 33.68% equity interest of Nanjing Textile. Nanjing Tourism Group is the platform for the state-owned tourism industry built by the Nanjing Municipal Party Committee and Municipal Government;
- (3) as to 20.1247% by 深圳市盈信國富實業有限公司, which is indirectly held as to over 90% by Mr. Lin Jinfeng (林勁峰) and as to less than 10% by three other individuals; and
- (4) as to 3.68% by three other shareholders.

As the Target Company was established by the First Vendor, and was not acquired from a third party, there is no original acquisition cost for the equity interest of the Target Company.

The Second Vendor is a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding. It is indirectly held as to 100% by Mr. Chen Huaijun, a PRC citizen. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Second Vendor and its ultimate

beneficial owner are independent of, and not connected with, the Company and its connected persons save for being a Shareholder holding Shares representing approximately 7.42% of the issued share capital of the Company.

The Target Company is a company established in the PRC with limited liability and is principally engaged in the management and operation of apartment lease. As at the date of this announcement, the Target Company is held as to 99% by the First Vendor and as to 1% by the Second Vendor.

### **Information on the Target Group**

The Target Company is a company established on 2 June 2021 in the PRC with limited liability. The Target Group is engaged in the management and operation of apartment lease.

The table below sets forth a summary of certain unaudited financial information of the Target Group for the period from 2 June 2021 (being the date of establishment of the Target Company) to 31 December 2021:

	<b>For the period from 2 June 2021 to 31 December 2021 RMB</b>
Profit before taxation	1,546,236
Profit after taxation	1,498,462

The unaudited total asset and net asset value of the Target Group as at 30 June 2022 were approximately RMB7,629,355 and RMB1,120,603 respectively.

### **Reasons for and Benefits of the Acquisition**

The Group is principally engaged in the provision of property management services, community value-added services and value added services to non-property owners in the PRC.

The Target Company has been developing the apartment long-term lease market for many years, with its current layout in more than a dozen first-tier and strong second-tier cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Nanjing, Hangzhou and Chengdu. Over the years, the Target Company has accumulated rich experience in the operation and management of apartment long-term leases, established the high-quality apartment long-term lease brand of “Landsea Apartment” and nurtured the asset-light apartment long-term lease entrusted operation and management business model.

Through the Acquisition, the Group will acquire the apartment long-term lease entrusted operation and management business under the brand of “Landsea Apartment” and the cultivated core capabilities of the operation and management of apartment long-term leases will be injected directly into the Group, thereby expanding the businesses and service boundaries of the Group, enriching the Group’s businesses and adding new revenue and profit growth points, which are in the interests of the Company and its Shareholders as a whole.

Based on the above, the Directors (other than Mr. Tian who has abstained from voting and the independent non-executive Directors who will give their opinion after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

## **THE OPERATION AND MANAGEMENT FRAMEWORK AGREEMENT**

On 16 December 2022, the Target Company (for itself and on behalf of the other members of the Target Group) and Shanghai Landsea Apartment (for itself and on behalf of the other members of the Shanghai Landsea Apartment Group) entered into the Operation and Management Framework Agreement, pursuant to which the members of the Target Group will provide the members of the Shanghai Landsea Apartment Group with apartment long-term lease operation and management services.

The principal terms of the Operation and Management Framework Agreement are set out below:

### **Term**

From the Commencement Date to 31 December 2025, which may be renewed as the parties may mutually agree, subject to compliance with the applicable requirements under the Listing Rules.

### **Subject matter**

The Operation and Management Framework Agreement sets out the framework of the terms under which the members of the Target Group may provide the Services to the members of the Shanghai Landsea Apartment Group from time to time.

### **Scope of the Services**

The members of the Target Group will provide the members of the Shanghai Landsea Apartment Group with the apartment operation and management services for long-term apartment lease projects including but not limited to: (1) early-stage consultation services; (2) renovation work management services; (3) daily operation and management services; (4) marketing, planning and promotion services; (5) commercial business promotion services; and (6) special consulting services.

The long-term apartment lease projects include white-collar apartments, boutique apartments, youth apartments, serviced apartments and boarding houses.

## Pricing and other terms

- (1) The parties shall enter into the Individual Agreements to set out the detailed terms for the transactions contemplated under the Operation and Management Framework Agreement in the ordinary course of business on normal commercial terms.
- (2) The Service Fees payable by the members of the Shanghai Landsea Apartment Group shall be determined in the Individual Agreements with reference to factors including but not limited to: (i) the type, location, size and condition of the long-term apartment leasing project; (ii) the nature and scope of the Services; (iii) the expected operating costs (including but not limited to personnel costs, administrative costs and material costs); (iv) the charging level of similar services provided to similar long-term apartment leasing projects in the market; (v) the service fees charged by members of the Target Group for providing similar services to Independent Third Parties.
- (3) The terms of the Individual Agreements shall be no less favourable to the Group than those entered into between the Group and Independent Third Parties for the provision of similar services.

## Historical transaction amounts

The following table summarises the total historical transaction amounts derived from providing the Services by the members of the Target Group to members of the Shanghai Landsea Apartment Group for the period from 2 June 2021 (the date of establishment of the Target Company) to 31 December 2021:

	<b>For the period from 2 June 2021 (the date of establishment of the Target Company) to 31 December 2021 RMB</b>
Transaction amount (unaudited)	3,838,127

## Proposed annual caps of the Operation and Management Framework Agreement and basis of determination

The following table summarises the proposed annual caps of the Operation and Management Framework Agreement for each of the three years ending 31 December 2025:

	<b>For the period ending 31 December 2023* RMB</b>	<b>For the period ending 31 December 2024 RMB</b>	<b>For the period ending 31 December 2025 RMB</b>
Proposed annual caps	33,000,000	36,000,000	40,000,000

\* From the Commencement Date to 31 December 2023.

The proposed annual caps of the Operation and Management Framework Agreement were determined taking into account, among others, (1) the number of apartment long-term lease projects which are expected to be managed by the members of the Target Group and the expected demand from the members of the Shanghai Landsea Apartment Group for the Services for the coming three years; (2) the service type, contents and standard of the Services required to be provided; (3) the expected general inflation and expected increase in operating costs for providing the Services in the PRC (including labour costs and administrative costs, etc.); and (4) the prevailing market rates for providing similar services with respect to the same or similar types of properties in the market.

### **Condition precedent**

The Operation and Management Framework Agreement is conditional upon Completion having occurred.

### **Termination**

The Operation and Management Framework Agreement may be terminated before expiration of its full term upon mutual agreement in writing by both parties or in certain circumstances, including upon default by a party to the Operation and Management Framework Agreement.

### **Internal control measures**

To ensure the Individual Agreements will be entered into on normal commercial terms and in accordance with the terms of the Operation and Management Framework Agreement, the Group has adopted the following measures:

- (1) the general managers of the relevant business units and operations divisions of the Company's local subsidiaries in which the relevant apartment long-term lease projects are situated (the "**General Managers**") will be responsible for negotiating with the Shanghai Landsea Apartment Group for the purpose of entering into the Individual Agreements;
- (2) in respect of each potential project, the General Managers will conduct market research and feasibility studies to evaluate its potential risk and return including its marketability;
- (3) the General Managers will negotiate with the Shanghai Landsea Apartment Group and determine the amount of service fees for the relevant projects on an arm's length basis based on the factors set out in the Operation and Management Framework Agreement to ensure that the Group has a reasonable profit margin;
- (4) the General Managers will submit the feasibility studies and the terms of the Individual Agreements (including the amount of service fees for the relevant projects) to the finance department of the Group and an executive Director for review and approval;

- (5) the Finance Department of the Group will monitor the transactions contemplated under the Operation and Management Framework Agreement and submit quarterly reports to the Board overseeing finance-related matters to ensure that the annual caps for the transactions contemplated under the Operation and Management Framework Agreement will not be exceeded;
- (6) the audit committee of the Company and the independent non-executive Directors will review the continuing connected transactions of the Company annually to ensure that the transactions contemplated under the Operation and Management Framework Agreement are conducted (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the Operation and Management Framework Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (7) the external auditor of the Company will conduct an annual review on the continuing connected transactions of the Company to confirm whether (i) the transactions contemplated under the Operation and Management Framework Agreement are approved by the Board; (ii) these transactions are in compliance with the pricing policies of the Group in all material aspects; (iii) these transactions are entered into in accordance with the Operation and Management Framework Agreement; and (iv) annual caps are exceeded.

### **Information on the Parties to the Operation and Management Framework Agreement**

#### *Target Company*

Information on the Target Company is set out in the section headed “**Information on the Target Group**” above.

#### *Shanghai Landsea Apartment*

Shanghai Landsea Apartment is principally engaged in the investment and operation of apartment long-term lease. It is wholly-owned by Shanghai Liyu. The shareholding structure of Shanghai Liyu is set out in the section headed “**Information on the Parties to the Equity Transfer Agreement**” above.

### **Reasons for and Benefits of the Operation and Management Framework Agreement**

As set out in the paragraph headed “Reasons for and Benefits of the Acquisition”, the Target Company has been developing the apartment long-term lease market for many years, with its current layout in more than a dozen first-tier and strong second-tier cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Nanjing, Hangzhou and Chengdu. Over the years, the Target Company has accumulated rich experience in the operation and management of apartment long-term leases, established the high-quality apartment long-term lease brand of “Landsea Apartment” and nurtured the asset-light apartment long-term lease entrusted operation and management business model.

By supplying the Services to the Shanghai Landsea Apartment Group through the Target Group after Completion, the Group can broaden its income stream and improve its overall operational performance. The Operation and Management Framework Agreement hence

represents a strong business relationship which the Group can utilise for the future growth of the Group. The Group believes that it is in the interests of the Group to provide the Services, which will allow the Group to further strengthen its market presence in the cities which the Target Group has already developed the apartment long-term lease market.

Based on the above, the Directors (other than Mr. Tian who has abstained from voting and the independent non-executive Directors who will give their opinion after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Operation and Management Framework Agreement and the transactions contemplated thereunder and the annual caps set out above are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **The Equity Transfer Agreement**

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% and all of such ratios are less than 25%, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Tian is a non-executive Director and the controlling shareholder of the Company and thus a connected person of the Company. The First Vendor is ultimately owned as to 50% by Mr. Tian. Accordingly, the First Vendor is an associate of Mr. Tian and thus a connected person of the Company. Therefore, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and are also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **The Operation and Management Framework Agreement**

As at the date of this announcement, Mr. Tian is a non-executive Director and the controlling shareholder of the Company and thus a connected person of the Company. Shanghai Landsea Apartment is ultimately owned as to 50% by Mr. Tian. Accordingly, Shanghai Landsea Apartment is an associate of Mr. Tian and thus a connected person of the Company. Therefore, upon Completion, the Operation and Management Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (other than the profit ratio) in respect of the proposed caps under the Operation and Management Framework Agreement is more than 5% and the highest amount of them is greater than HK\$10,000,000, the Operation and Management Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

## **GENERAL**

As each of the First Vendor and Shanghai Landsea Apartment is ultimately owned as to 50% by Mr. Tian, the chairman of the Board and a non-executive Director, Mr. Tian is considered to have a material interest in the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder. Mr. Tian has abstained from voting on the resolutions in relation to the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder.

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated there under where Mr. Tian and his associates and any other Shareholders who have a material interest in such transactions shall abstain from voting on the resolutions approving the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder.

A circular containing, among other things, details of the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice convening the EGM will be despatched to the Shareholders on or before 11 January 2023.

**Completion is conditional upon fulfilment of the conditions precedent set out in the Equity Transfer Agreement. There is no assurance that Completion will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of 99% and 1% equity interests in the Target Company by the Purchaser from the First Vendor and the Second Vendor, respectively, pursuant to the Equity Transfer Agreement
“associate(s)”	has the meaning ascribed hereto in the Listing Rules
“Board”	the board of Directors
“Commencement Date”	the date falling on the later of 1 January 2023 and the Completion Date
“Company”	Landsea Green Life Service Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1965)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Completion Date”	the date on which Completion takes place
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration for the acquisition of the entire equity interests in the Target Company, amounting to RMB201,700,000 in total
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve, among others, the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder
“Equity Transfer Agreement”	the equity transfer agreement dated 16 December 2022 entered into between the Purchaser, the First Vendor, the Second Vendor and the Target Company in relation to the Acquisition
“First Vendor”	Nanjing Langjun Commercial Management Limited* (南京朗郡商業管理有限公司), a company established in the PRC with limited liability

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders in respect of the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Opus Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to approve the Equity Transfer Agreement, the Operation and Management Framework Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Individual Agreement(s)”	the individual agreement(s) that may be entered into between the members of the Target Group and the members of the Shanghai Landsea Apartment Group in accordance with the principles and terms of the Operation and Management Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Long Stop Date”	31 March 2023 (or such other date as may be designated by the Purchaser)
“Mr. Tian”	Mr. Tian Ming, the chairman and a non-executive Director

“Operation and Management Framework Agreement”	the operation and management framework agreement dated 16 December 2022 entered into between the Target Company and Shanghai Landsea Apartment in relation to the provision of the Services by the members of the Target Group to the members of the Shanghai Landsea Apartment Group
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Purchaser”	Langhong (Nanjing) Corporate Management Limited* (朗鴻(南京)企業管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Vendor”	Huge Wealth Group Limited (濠旺集團有限公司), a company incorporated in Hong Kong with limited liability
“Service Fees”	the fees payable by members of the Shanghai Landsea Apartment Group to members of the Target Group for the Services
“Services”	the apartment operation and management services for apartment long-term lease projects, details of which are set out in the section headed “The Operation and Management Framework Agreement – Scope of the Services” in this announcement
“Shanghai Landsea Apartment”	Shanghai Landsea Apartment Industrial Development Limited* (上海朗詩寓實業發展有限公司), a company established in the PRC with limited liability
“Shanghai Landsea Apartment Group”	Shanghai Landsea Apartment and its subsidiaries (which for the purpose of this announcement excludes members of the Target Group)
“Shanghai Liyu”	Shanghai Liyu Commercial Management Limited* (上海驪寓商業管理有限公司), a company established in the PRC with limited liability
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Target Company”	Beihai Langrun Commercial Management Limited* (北海朗潤商業管理有限公司), a company established in the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries, and “Target Group Company” or “Target Group Companies” shall be construed accordingly
“Vendors”	collectively, the First Vendor and the Second Vendor
“%”	per cent

By order of the Board  
**Landsea Green Life Service Company Limited**  
**Tian Ming**  
*Non-executive Director and Chairman of the Board*

Hong Kong, 16 December 2022

*As at the date of this announcement, the Board comprises Ms. Zhou Qin, Mr. Wu Xu and Mr. Liu Chao as executive Directors, Mr. Tian Ming (the Chairman) and Mr. Liu Yong as non-executive Directors, and Ms. Lu Mei, Dr. Chen Kevin Chien-wen and Ms. Katherine Rong Xin as independent non-executive Directors.*

\* *Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.*