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朗诗绿色管理

LANDSEA GREEN MANAGEMENT

LANDSEA GREEN MANAGEMENT LIMITED

朗詩綠色管理有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 106)

**MAJOR TRANSACTION
DISPOSAL OF CERTAIN LISTED SECURITIES
IN LANDSEA HOMES CORPORATION
AND
RESUMPTION OF TRADING**

THE DISPOSAL AND THE SHARE REPURCHASE

On 12 June 2023 (New York time), LHC, an indirect wholly-owned subsidiary of the Company, Landsea Homes and B. Riley Securities (as representative of the Underwriters) entered into the Underwriting Agreement, pursuant to which, subject to the terms and conditions of the Underwriting Agreement, LHC agreed to sell, and the Underwriters agreed to purchase, an aggregate of 2,956,522 shares of LSEA Stock (representing approximately 7.42% of the issued and outstanding shares of LSEA Stock as at the date of this announcement), at a public offering price of US\$7.5 for an aggregate consideration of US\$22,173,915.

In addition, LHC agreed to sell additional 443,478 shares of LSEA Stock (representing approximately 15% of the Firm Shares) to the Underwriters and the Underwriters, subject to the terms and conditions of the Underwriting Agreement, have the right to purchase all or a portion of the Option Shares, at the public offering price of US\$7.5. The option may be exercised by the Underwriters any time and from time to time on or before the 30th day following the date of the Underwriting Agreement.

The Underwriters agreed to make a public offering of the Disposed Shares.

Subject to the sale of the Disposed Shares by LHC to the Underwriters in compliance with the terms of the Underwriting Agreement, the Underwriters agreed to sell, and Landsea Homes agreed to repurchase, an aggregate of 443,478 shares of LSEA Stock (representing approximately 1.11% of the issued and outstanding shares of LSEA Stock as at the date of this announcement), at US\$7.5 per share of LSEA Stock. Following completion of the Disposal (together with the Share Repurchase and cancellation of the Repurchase Shares), Landsea Homes will remain a subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal (together with the Share Repurchase) is 25% or more and all of such ratios are less than 75%, the Disposal (together with the Share Repurchase) constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and the Share Repurchase. As such, no Shareholder is required to abstain from voting if a general meeting were convened to approve the Disposal and the Share Repurchase. As at the date of this announcement, Mr. Tian Ming, Greensheid, Landsea International and Easycorps held 8,901,500 Shares, 2,011,513,187 Shares, 367,914,894 Shares and 376,017,785 Shares, respectively, together representing approximately 58.53% voting rights of the Company giving the right to attend and vote at general meetings of the Company, for the Disposal and the Share Repurchase in accordance with Rule 14.44 of the Listing Rules. Pursuant to Rule 14.44(2) of the Listing Rules, the written approval from Mr. Tian Ming, Greensheid, Landsea International and Easycorps has been accepted in lieu of holding a general meeting of the Company. Accordingly, no general meeting of the Company shall be convened to approve the Underwriting Agreement and the transactions contemplated under it.

GENERAL

A circular containing further details of the Disposal and the Share Repurchase is expected to be despatched to the Shareholders on or before 5 July 2023, being 15 business days after the publication of this announcement.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted at the request of the Company with effect from 9:00 a.m. on 13 June 2023 pending the publication of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 14 June 2023.

THE DISPOSAL AND THE SHARE REPURCHASE

On 12 June 2023 (New York time), LHC, an indirect wholly-owned subsidiary of the Company, Landsea Homes and B. Riley Securities (as representative of the Underwriters) entered into the Underwriting Agreement, pursuant to which, subject to the terms and conditions of the Underwriting Agreement, LHC agreed to sell, and the Underwriters agreed to purchase, an aggregate of 2,956,522 shares of LSEA Stock (representing approximately 7.42% of the issued and outstanding shares of LSEA Stock as at the date of this announcement), at a public offering price of US\$7.5 for an aggregate consideration of US\$22,173,915.

In addition, LHC agreed to sell additional 443,478 shares of LSEA Stock (representing approximately 15% of the Firm Shares) to the Underwriters and the Underwriters, subject to the terms and conditions of the Underwriting Agreement, have the right to purchase all or a portion of the Option Shares, at the public offering price of US\$7.5. The option may be exercised by the Underwriters any time and from time to time on or before the 30th day following the date of the Underwriting Agreement.

The Underwriters agreed to make a public offering of the Disposed Shares.

Subject to the sale of the Disposed Shares by LHC to the Underwriters in compliance with the terms of the Underwriting Agreement, the Underwriters agreed to sell, and Landsea Homes agreed to repurchase, an aggregate of 443,478 shares of LSEA Stock (representing approximately 1.11% of the issued and outstanding shares of LSEA Stock as at the date of this announcement), at the public offering price of US\$7.5 per share of LSEA Stock.

The principal terms of the Underwriting Agreement are set out below:

Subject matter

The Disposed Shares include the Firm Shares and Option Shares, representing approximately 8.54% of the issued and outstanding shares of LSEA Stock as at the date of the Underwriting Agreement.

The Repurchase Shares represent approximately 1.11% of the issued and outstanding shares of LSEA Stock as at the date of the Underwriting Agreement.

The shareholding of LHC in Landsea Homes will decrease from approximately 58.1% to approximately 50.1% immediately after completion of the Disposal, the Share Repurchase and cancellation of the Repurchase Shares assuming that there is no other change in the number of shares of LSEA Stock held by LHC and the number of issued and outstanding shares of LSEA Stock.

Consideration and basis of determination

The consideration for the disposal of the Firm Shares is US\$22,173,915 and would be paid in cash on settlement.

Assuming the Underwriters purchase all the Option Shares, the consideration for the disposal of the Option Shares is US\$3,326,085 and will be paid in cash on settlement.

Subject to the sale of the Disposed Shares by LHC to the Underwriters in compliance with the terms of the Underwriting Agreement, and in consideration for the Repurchase Shares, Landsea Homes shall settle the consideration for the Repurchase Shares which is US\$3,326,085 by cash. Consideration for the Firm Shares shall be made to LHC by same day federal funds wire transfer against delivery of the Firm Shares to the Underwriters through the facilities of DTC for the account of the Underwriters. Such payment and delivery shall be made on the Closing Date. If the option for Option Shares is exercised, payment of consideration for the Option Shares shall be made at the Option Closing Date (as defined below) in the same manner and at the same office as the payment for the Firm

Shares. Consideration for Repurchase Shares shall be made on the Closing Date by wire transfer of same day federal funds to the account specified by the Underwriters to Landsea Homes at least twenty-four hours in advance.

The public offering price of US\$7.5 per share of LSEA Stock represents:

- (a) approximately 89% of the closing price of US\$8.39 per share of LSEA Stock as quoted on NASDAQ immediately preceding the date of the Underwriting Agreement; and
- (b) approximately 97% of the closing price of US\$7.71 per share of LSEA Stock as quoted on NASDAQ for the five (5) consecutive trading days immediately preceding the date of the Underwriting Agreement.

The public offering price of US\$7.5 per share of LSEA Stock was determined with reference to the prevailing market price of LSEA Stock, the amount of the Disposed Shares and Repurchase Shares and the terms and conditions of the Underwriting Agreement and was negotiated on an arm's length basis between LHC, Landsea Homes and the Underwriters.

Completion

Completion of the disposal of the Firm Shares and the Share Repurchase will take place on the Closing Date.

If Underwriters wish to exercise the right to purchase the Option Shares, the Underwriters shall, on or before the thirtieth (30th) day following the date of the Underwriting Agreement, serve a written notice from B. Riley Securities to LHC and Landsea Homes ("**Option Shares Notice**"). The Option Shares Notice shall set forth the aggregate number of Option Shares as to which the option is being exercised, and the date and time when the Option Shares are to be delivered (the "**Option Closing Date**") provide that the Option Closing Date shall not be earlier than the Closing Date nor earlier than the second (2nd) full business day after the date on which the Option Shares Notice shall have been delivered as set forth in the Underwriting Agreement, nor later than the tenth (10th) full business day after such date of delivery. As of the Option Closing Date, LHC will sell to the Underwriters, and the Underwriters will purchase, the number of Option Shares set forth in the Option Shares Notice.

Lock-up

Landsea Homes agreed that during the 90-day period from the date of the Underwriting Agreement, Landsea Homes shall not, directly or indirectly, without the prior written consent of B. Riley Securities:

- (1) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or would be reasonably expected to, result in the disposition by any person at any time in the future of) any shares of LSEA Stock or securities convertible into or exchangeable for LSEA Stock or sell or grant options, rights or warrants with respect to any shares of LSEA Stock or securities convertible into or exchangeable for LSEA Stock;

- (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of LSEA Stock, whether any such transaction is to be settled by delivery of LSEA Stock or other securities, in cash or otherwise;
- (3) file or cause to be filed a registration statement, including any amendments, with respect to the registration under the Securities Act for the offer and sale by Landsea Homes of any shares of LSEA Stock or securities convertible, exercisable or exchangeable into LSEA Stock or any other securities of Landsea Homes; or
- (4) publicly disclose the intention to do any of the foregoing.

The lock-up mentioned above shall not apply to any one or more of the following:

- (1) the Disposed Shares and any post-effective amendments to the registration statement filed consistent with the terms of the Underwriting Agreement;
- (2) the filing of one or more registration statements on Form S-8 under the Securities Act;
- (3) the issuance of shares of LSEA Stock, restricted stock units, options to purchase LSEA Stock or units pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans in effect on the date of the Underwriting Agreement or pursuant to currently outstanding restricted stock units, options, warrants or rights; and
- (4) the issuance or sale in private placements without registration under the Securities Act up to the number of shares of LSEA Stock representing 5% of the total number of outstanding shares of LSEA Stock (or options, warrants, or other securities convertible into or exercisable, or exchangeable for, shares of LSEA Stock) in connection with bona fide mergers or acquisitions, joint ventures or other similar strategic transactions, provided that the acquirer of any such shares of LSEA Stock (or options, warrants or other securities convertible into or exchangeable for shares of LSEA Stock) so issued pursuant to this subclause (4) enters into an agreement substantially in the form set forth in the Underwriting Agreement with respect to such shares of LSEA Stock (or options, warrants or other securities convertible into or exercisable, or exchangeable for, shares of LSEA Stock) for the remainder of such lock-up period.

Landsea Homes agreed to cause its officers and directors set forth in the Underwriting Agreement, and LHC (together with its affiliates) agreed, to furnish to the Underwriters, on or prior to the date of the Underwriting Agreement, lock-up agreements.

FINANCIAL EFFECT OF AND THE USE OF PROCEEDS FROM THE DISPOSAL AND THE SHARE REPURCHASE

As at the date of the Underwriting Agreement, Landsea Homes was owned as to approximately 58.1% by LHC and was a subsidiary of the Company. Immediately following completion of the Disposal, the Share Repurchase and cancellation of the Repurchase Shares, Landsea Homes will be owned as to approximately 50.1% by LHC and Landsea Homes will continue to be an indirect non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated in the financial results of the Group.

The decrease in the Company's shareholding in Landsea Homes will not result in the Company ceasing to control Landsea Homes, and it is expected that the Company will not record any gain or loss in the consolidated statement of profit or loss from the Disposal (together with the Share Repurchase and cancellation of the Repurchase Shares) under Hong Kong Financial Reporting Standards.

The sale proceeds from the Disposal (together with the Share Repurchase) in the amount of approximately US\$25,500,000 are expected to be used for repaying the Company's indebtedness and as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE SHARE REPURCHASE

The Group is principally engaged in development and sales of properties in the PRC and the United States, provision of project development and management services. The Directors consider that the Disposal (together with the Share Repurchase) provides the Group with an opportunity to realise its investment in Landsea Homes and will enhance the overall liquidity of the Group. The Directors consider that the Disposal (together with the Share Repurchase) was carried out on normal commercial terms which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

LHC

LHC is incorporated in the State of Delaware, and is principally engaged in investment holding. It is indirectly wholly-owned by the Company.

LANDSEA HOMES

Landsea Homes is a non-wholly owned subsidiary of the Company. It is incorporated under the laws of the State of Delaware in the USA and the common stock of which have been listed on NASDAQ since January 2021. Landsea Homes is principally engaged in real estate development. As at the date of this announcement, Landsea Homes is owned as to approximately 58.1% by the Company.

Pursuant to annual report of Landsea Homes issued pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended 31 December 2022, the audited consolidated financial results of Landsea Homes for the two financial years ended 31 December 2022 prepared in accordance with US GAAP are as follows:

	For the year ended 31 December 2021 (US\$)	For the year ended 31 December 2022 (US\$)
Profit before taxation	66,730,000	101,065,000
Profit after taxation	52,735,000	75,665,000

As at 31 December 2022, the audited consolidated net assets of Landsea Homes was US\$710,319,000.

B. Riley Securities

B. Riley Securities operates as an investment banking firm which provides corporate finance, advisory, research, sales, and trading services. B. Riley Securities serves corporate and institutional clients in the USA. It incorporated under the laws of the State of Delaware in the USA and is a wholly owned subsidiary of B. Riley Financial, Inc. (stock code: RILY), the common stock of which are listed on NASDAQ.

OTHER UNDERWRITER

Wedbush

Wedbush operates as an investment firm which provides securities brokerage and investment banking services. Wedbush serves clients in the USA. It incorporated under the laws of the State of California in the USA and is a wholly owned subsidiary of Wedbush Financial Services, LLC (“WFS”), a company incorporated under laws of the State of Delaware in the USA. WFS is majority owned by Wedbush Capital (“WedCap”), a company incorporated under laws of the State of California in the USA. The ultimate beneficial owner of WedCap is Ms. Jean Wedbush.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, B. Riley Securities and Wedbush and their respective ultimate beneficial owners are independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Disposal (together with the Share Repurchase) is 25% or more and all of such ratios are less than 75%, the Disposal (together with the Share Repurchase) constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and the Share Repurchase. As such, no Shareholder is required to abstain from voting if a general meeting were convened to approve the Disposal and the Share Repurchase. As at the date of this announcement, Mr. Tian Ming, Greensheid, Landsea International and Easycorps held 8,901,500 Shares, 2,011,513,187 Shares, 367,914,894 Shares and 376,017,785 Shares, respectively, together representing approximately 58.53% voting rights of the Company giving the right to attend and vote at general meetings of the Company, for the Disposal and the Share Repurchase in accordance with Rule 14.44 of the Listing Rules. Pursuant to Rule 14.44(2) of the Listing Rules, the written approval from Mr. Tian Ming, Greensheid, Landsea International and Easycorps has been accepted in lieu of holding a general meeting of the Company. Accordingly, no general meeting of the Company shall be convened to approve the Underwriting Agreement and the transactions contemplated under it.

GENERAL

A circular containing further details of the Disposal and the Share Repurchase is expected to be despatched to the Shareholders on or before 5 July 2023, being 15 business days after the publication of this announcement.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted at the request of the Company with effect from 9:00 a.m. on 13 June 2023 pending the publication of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 14 June 2023.

DEFINITIONS

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

“Board”	board of Directors
“B. Riley Securities”	B. Riley Securities, Inc., a company incorporated under the laws of the State of Delaware in the USA and a wholly owned subsidiary of B. Riley Financial, Inc. (stock code: RILY), the common stock of which are listed on NASDAQ
“Closing Date”	15 June 2023, the second business day after the date of the Underwriting Agreement (unless another time or date shall be agreed to by LHC, Landsea Homes and B. Riley Securities)
“Company”	Landsea Green Management Limited, 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)
“Directors”	directors of the Company
“Disposal”	the disposal(s) by LHC of a total of 3,400,000 Disposed Shares at a public offering price of US\$7.5 per share of LSEA Stock, for an aggregate consideration of US\$25,500,000
“Disposed Shares”	an aggregate of 3,400,000 shares of LSEA Stock, being the sum of Firm Shares and Option Shares
“DTC”	The Depository Trust Company
“Firm Shares”	an aggregate of 2,956,522 shares of LSEA Stock
“Greensheid”	Greensheid Corporation, a wholly-owned subsidiary of Landsea International as at the date of this announcement
“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 limited liability company established under the laws of the PRC, a controlling shareholder of the Company and is owned as to 34.15% by Nanjing Ding Chong Investment Management Consultants Ltd., a company wholly and beneficially owned by Mr. Tian Ming, and as to 15.85% by Mr. Tian Ming as at the date of this announcement

“Landsea Homes”	Landsea Homes Corporation, a company incorporated under the laws of the State of Delaware in the USA and the common stock of which are listed on NASDAQ (stock code: LSEA), and a non-wholly owned subsidiary of the Company
“Landsea International”	Landsea International Holdings Limited, a controlling shareholder of the Company and wholly-owned by Landsea Group as at the date of this announcement
“LHC”	Landsea Holdings Corporation, a company incorporated under laws of the State of Delaware in the USA and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LSEA Stock”	the common shares of Landsea Homes
“NASDAQ”	National Association of Securities Dealers Automated Quotations capital market
“Option Shares”	an aggregate of 443,478 shares of LSEA Stock
“PRC”	the People’s Republic of China
“Repurchase Shares”	an aggregate of 443,478 shares of LSEA Stock
“Securities Act”	the Securities Exchange Act of 1933
“Share Repurchase”	the proposed repurchase of the Repurchase Shares by Landsea Homes pursuant to the terms of the Underwriting Agreement
“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
“Underwriters”	B. Riley Securities and Wedbush
“Underwriting Agreement”	the underwriting agreement dated 12 June 2023 (New York Time) entered into by LHC, Landsea Homes and B. Riley Securities (being the representative of the Underwriters) in relation to the Disposal and Share Repurchase
“USA”	the United States of America
“US GAAP”	generally accepted accounting principles in the USA

“US\$”	United States dollar, the lawful currency of USA
“Wedbush”	Wedbush Securities Inc., a company incorporated under the laws of the State of California in the USA
“%”	Per cent.

By order of the Board
Landsea Green Management Limited
Gao Yuan
Company Secretary

Hong Kong, 13 June 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Tian Ming and Mr. Huang Zheng, one non-executive Director, namely Ms. Gu Jing, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.