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If you have sold or transferred all your shares in Landsea Green Management limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



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 IN RELATION TO
DISPOSAL OF CERTAIN LISTED SECURITIES IN
LANDSEA HOMES CORPORATION**

Financial Adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

A letter from the Board is set out on pages 4 to 10 of this circular.

This circular is despatched to the Shareholders for information purpose only, and a written Shareholder's approval has been obtained in lieu of holding a general meeting of the Company pursuant to the Listing Rules.

5 July 2023

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DEFINITIONS

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

“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
“Board”	board of Directors
“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)
“connected person(s)”	has the meanings as defined in the Listing Rules
“Director(s)”	director(s) 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
“Easycorps”	Easycorps Group Limited, a company wholly-owned by Mr. Tian Ming
“Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Company as to working capital sufficiency
“Firm Shares”	an aggregate of 2,956,522 shares of LSEA Stock
“Greensheid”	Greensheid Corporation, a wholly-owned subsidiary of Landsea International
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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
“Landsea Homes”	Landsea Homes Corporation, a company incorporated under 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
“Latest Practicable Date”	1 July 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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 Closing Date”	21 June 2023 (New York Time)
“Option Shares”	an aggregate of 443,478 shares of LSEA Stock
“Option Shares Notice”	as defined under the paragraph headed “Completion” of this circular
“PRC”	the People’s Republic of China
“Repurchase Shares”	an aggregate of 443,478 Firm Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SEC”	the United States Securities and Exchange Commission

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“Securities Act”	the United States Securities Act of 1933, as amended from time to time
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Repurchase”	the repurchase of the Repurchase Shares by Landsea Homes pursuant to the terms of the Underwriting Agreement
“Shareholder(s)”	holder(s) of the Shares
“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
“US\$”	United States dollar, the lawful currency of United States of America
“USA”	the United States of America
“Wedbush”	Wedbush Securities Inc., a company incorporated under the laws of the State of California in the USA
“%”	per cent.

* *For identification purpose only.*



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)

Executive Directors:

Mr. Tian Ming
Mr. Huang Zheng

Non-executive Director:

Ms. Gu Jing

Independent Non-executive Directors:

Mr. Xu Xiaonian
Mr. Chen Tai-yuan
Mr. Rui Meng

Registered Office:

Charendon House
2 Church Street
Hamilton, HM11
Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 406, 4/F
8 Queen's Road East
Wan Chai
Hong Kong

5 July 2023

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF CERTAIN LISTED SECURITIES IN
LANDSEA HOMES CORPORATION**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 13 June 2023 in relation to the Disposal and Share Repurchase. The purpose of this circular is to provide you with, among other things, further details about the Underwriting Agreement, the Disposal, the Share Repurchase and the transactions contemplated thereunder and other information as required under the Listing Rules.

2. THE DISPOSAL AND THE SHARE REPURCHASE

On 12 June 2023 (New York Time), LHC, 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, the Firm Shares (representing approximately 7.42%

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of the issued and outstanding shares of LSEA Stock as at the date of the Underwriting Agreement), at a public offering price of US\$7.5 for an aggregate consideration of US\$22,173,915.

In addition, LHC agreed to sell the Option Shares, being additional 443,478 shares of LSEA Stock which represent 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 was exercisable by the Underwriters any time and from time to time on or before the 30th day following the date of the Underwriting Agreement and was exercised by the Underwriters.

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

Subject to the terms and conditions of the Underwriting Agreement, the Underwriters agreed to sell, and Landsea Homes agreed to repurchase, the Repurchase Shares, representing approximately 1.11% of the issued and outstanding shares of LSEA Stock as at the date of the Underwriting Agreement, at the public offering price of US\$7.5 per share of LSEA Stock.

Underwriting Agreement

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

Subject Matter

The Disposed Shares included 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 represented 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 decreased from approximately 58.1% to approximately 50.1% immediately after completion of the Disposal, the Share Repurchase and cancellation of the Repurchase Shares.

Consideration and basis of determination

The consideration for the disposal of the Firm Shares was US\$22,173,915 and was paid in cash on the Closing Date 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.

The consideration for the disposal of the Option Shares was US\$3,326,085 and was paid in cash on settlement. Payment of consideration for the Option Shares was made at the Option Closing Date in the same manner and at the same office as the payment for the Firm Shares.

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The consideration for the Repurchase Shares was US\$3,326,085 and was paid in cash on the Closing Date by wire transfer of same day federal funds to the account specified by the Underwriters to Landsea Homes.

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

- (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 took place on the Closing Date. 2,513,044 shares of LSEA Stock have been sold to the public and 443,478 shares of LSEA Stock have been repurchased by Landsea Homes.

Completion of the disposal of the Option Shares took place on 21 June 2023 (New York Time). 443,478 shares of LSEA Stock have been sold to the public.

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;

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- (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.

LETTER FROM THE BOARD

Reasons for and Benefits of the Disposal

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) provided the Group with an opportunity to realise its investment in Landsea Homes and will enhance the overall liquidity of the Group. The Directors considered that the Disposal (together with the Share Repurchase) was carried out on normal commercial terms which were fair and reasonable and were in the interests of the Company and the Shareholders as a whole.

Financial Effect of the Disposal and Use of Proceeds

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 was owned as to approximately 50.1% by LHC and Landsea Homes continues 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 did 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.

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3. INFORMATION ON THE PARTIES

Landsea Homes

Landsea Homes is a non-wholly owned subsidiary of the Company. It was incorporated under 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, and is owned as to approximately 50.1% by the Company as at the Latest Practicable Date.

Pursuant to annual report of Landsea Homes pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, 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	For the year ended 31 December 2022
	<i>(US\$)</i>	<i>(US\$)</i>
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.

LHC

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

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.

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.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, B. Riley Securities and Wedbush and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

4. 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.

5. WRITTEN SHAREHOLDER'S APPROVAL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder had 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 Latest Practicable Date, each of 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% interests 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 Shareholders' 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.

If the Company were to convene a general meeting for the approval of the Disposal and the Share Repurchase and voting was required, the Directors would have recommended the Shareholders to vote in favour of such resolution based on the reasons set out in this letter.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board of
Landsea Green Management Limited
Tian Ming
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 were set out in the relevant annual reports of the Company posted on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (http://www.landsea.hk/html/ir_report.php). Please also see below quick links to the relevant annual reports:

- Annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 134 to 345):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042804401.pdf>

- Annual report of the Company for the year ended 31 December 2021 published on 27 April 2022 (pages 142 to 337):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042700780.pdf>

- Annual report of the Company for the year ended 31 December 2020 published on 29 April 2021 (pages 129 to 325):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900843.pdf>

Each of the said consolidated financial statements of the Group is incorporated by reference to this circular and forms part of this circular.

2. STATEMENT OF INDEBTEDNESS

As at 31 May 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness of approximately RMB7,127.19 million, consisting of current borrowings of approximately RMB1,392.48 million, non-current borrowings of approximately RMB5,596.92 million, public placement warrants of approximately RMB17.02 million and lease liabilities of approximately RMB120.77 million.

As at 31 May 2023, the Group had cooperated with various financial institutions to arrange mortgaged loan facilities for the purchasers of its properties and provided guarantees to secure such purchasers' obligation of repayments. The outstanding mortgage loans under these guarantees amounted to approximately RMB990.00 million. Such guarantees will be released by banks upon earlier of the issuance of the real estate ownership certificate and the satisfaction of relevant mortgaged loan. In addition, the Group provided guarantees for bank loans with the amount of RMB86.00 million for one joint venture of the Group as of 31 May 2023.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 May 2023, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank

overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources including the internally generated fund and the loan facilities available to the Group as well as the effect of the transactions contemplated under the Underwriting Agreement, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Over the years, the Company has been exploring the path of transforming from a traditional asset-heavy residential development model to an asset-light model. The Company not only wish to become a branded service provider with light-asset operation capability, but also wish its investment capability to be of a certain level, such that its revenue stream could be diversified through quality partner projects with minority interests.

The Company positions itself as a service provider of green development and also a “real estate investment bank + green builder”. It is fortunate to be a pioneer in exploring diversified development of market, and has much experience in fields such as green building and renovation for the existing buildings.

The Company’s strategic transformation for product differentiation, asset-light model transformation and revenue diversification has started in 2014, and almost ten years has passed. In 2022, the Company officially changed its name to “Landsea Green Management Limited” to more accurately reflect the strategic positioning of an asset-light green development service provider. 2023 will still be a difficult year for the industry as it is still in a period of adjustment, but the Company is confident enough to find the most suitable development path by leveraging its unique advantages in the new era.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' Interests and short positions in Shares, underlying shares and debentures of the Company and its associated corporation

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company or their respective associates had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Long Position in Shares

Name of Directors	Capacity	Number of Shares	Approximate percentage in total number of issued Shares
Mr. Tian Ming	Interest of controlled corporations	2,755,445,866 (Notes 1 and 2)	58.35%
	Beneficial owner	8,901,500	0.19%
Mr. Huang Zheng	Beneficial owner	25,000,000 (Note 3)	0.52%
Ms. Gu Jing	Beneficial owner	36,000	0.00%

Notes:

- These include (i) 2,011,513,187 Shares held through Greensheid Corporation (“**Greensheid**”); (ii) 376,017,785 ordinary shares held through Easycorps Group Limited (“**Easycorps**”); and (iii) 367,914,894 ordinary shares held through Landsea International Holdings Limited (“**Landsea International**”).
- Greensheid is wholly-owned by Landsea International, which is in turn wholly owned by Landsea Group Co., Ltd. (“**Landsea Group**”). Landsea Group is owned as to 34.15% by Nanjing Ding Chong Investment Management Consultants Ltd. (“**Nanjing Ding Chong**”) and 15.85% by Mr. Tian Ming. Nanjing Ding Chong is a company wholly and beneficially owned by Mr. Tian Ming. Mr. Tian Ming is regarded as the controlling shareholder of Landsea Group. Easycorps is a company wholly and beneficially owned by Mr. Tian Ming. Therefore, Mr. Tian Ming is deemed to be interested in these 2,755,445,866 Shares pursuant to the SFO.
- 20,000,000 Shares are restricted Shares granted by the Company pursuant to the restricted share award scheme adopted by the Board on 2 July 2014. 5,000,000 share options were granted to Mr. Huang Zheng on 1 April 2022 under the share option scheme adopted by the Company on 25 April 2012. The aforesaid share options could be exercised from 1 April 2023 to 31 March 2032 to subscribe for 5,000,000 ordinary shares of HK\$0.01 each in the Company at the exercise price of HK\$0.242 per share.

As at the Latest Practicable Date, save as disclosed below, none of the other Directors was a director or employee of a company which had, or was deemed to have, an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Title	Company
Mr. Tian Ming	Chairman and president	Landsea Group Co., Ltd.

(b) Substantial shareholders’ interest

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Shareholders	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage in total number of issued Shares
Landsea Group Co., Ltd. (<i>Note 1</i>)	Long position	Interest in controlled corporation	2,379,428,081	50.39%

Name of Shareholders	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage in total number of issued Shares
Landsea International (Note 1)	Long Position	Interest in controlled corporation	2,011,513,187	42.60%
		Beneficial interest	367,914,894	7.79%
Nanjing Ding Chong (Note 1)	Long Position	Interest in controlled corporation	2,379,428,081	50.39%
Greensheid (Note 1)	Long position	Beneficial interest	2,011,513,187	42.60%
Easycorps (Note 2)	Long position	Beneficial interest	376,017,785	7.96%
Ping An Insurance (Group) Company of China, Ltd. (Note 3)	Long position	Interest in controlled corporation	327,002,604	6.92%
	Short position	Interest in controlled corporation	327,002,604	6.92%
Ping An Life Insurance Company of China Ltd. (Note 3)	Long position	Interest in controlled corporation	327,002,604	6.92%
	Short position	Interest in controlled corporation	327,002,604	6.92%
Ping An Property & Casualty Insurance Company of China, Ltd. (Note 3)	Long position	Interest in controlled corporation	327,002,604	6.92%

Name of Shareholders	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage in total number of issued Shares
	Short position	Interest in controlled corporation	327,002,604	6.92%
Ping An Real Estate Company Ltd. (Note 3)	Long position	Interest in controlled corporation	327,002,604	6.92%
	Short position	Interest in controlled corporation	327,002,604	6.92%
Pingan Real Estate Capital Ltd. (Note 3)	Long position	Interest in controlled corporation	327,002,604	6.92%
	Short position	Interest in controlled corporation	327,002,604	6.92%
Fuji Investment Management Limited (Note 3)	Long position	Beneficial interest	327,002,604	6.92%
	Short position	Beneficial interest	327,002,604	6.92%
Ting Wang (Note 4)	Long Position	Interest in controlled corporation	331,376,970	7.02%
State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government (Note 5)	Long Position	Interest in controlled corporation	314,507,927	6.66%

Name of Shareholders	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage in total number of issued Shares
Nanjing Urban Construction Investment Holding (Group) Co., Ltd. (Note 5)	Long Position	Interest in controlled corporation	314,507,927	6.66%
Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd. (Note 5)	Long Position	Interest in controlled corporation	314,507,927	6.66%
Nanjing Tourism Group Co., Ltd. (Note 5)	Long Position	Interest in controlled corporation	314,507,927	6.66%
Nanjing Textiles Import & Export Corp., Ltd. (Note 5)	Long Position	Interest in controlled corporation	314,507,927	6.66%
Hong Kong Newdawn International Co., Limited (Note 5)	Long Position	Beneficial interest	314,507,927	6.66%

Notes:

- These include (i) 2,011,513,187 ordinary shares held through Greensheid and 367,914,894 ordinary shares held through Landsea International. Greensheid is wholly-owned by Landsea International, which is in turn wholly-owned by Landsea Group. Landsea Group is owned as to 34.15% by Nanjing Ding Chong, a company wholly and beneficially owned by Mr. Tian, and as to 15.85% by Mr. Tian. Therefore, Landsea International is deemed to be interested in the shares held by Greensheid, and Landsea Group is deemed to be interested in the shares held by Landsea International and Greensheid, as well as Nanjing Ding Chong is deemed to be interested in the shares held by Greensheid and Landsea International pursuant to the SFO.
- Easycorps is a company wholly and beneficially owned by Mr. Tian.
- These include (i) 327,002,604 ordinary shares held by Fuji Investment Management Limited. Fuji Investment Management Limited is wholly-owned by Pingan Real Estate Capital Limited which in turn is wholly-owned by Ping An Real Estate Company Limited. Ping An Real Estate Company Limited is owned as to 49.5% by Ping An Life Insurance Company of China Ltd. and 35% by Ping An Property & Casualty Insurance Company of China, Ltd. Each of Ping An Life Insurance Company of China Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd is owned as to 99.51% by Ping An Insurance (Group) Company of China, Ltd. Therefore, each of Ping An Insurance (Group) Company of China, Ltd., Ping An Life Insurance Company of China

Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Real Estate Company Ltd. and Pingan Real Estate Capital Ltd. is deemed to be interested in the shares held by Fuji Investment Management Limited pursuant to the SFO.

4. These include 252,608,635 ordinary shares beneficially owned by Mr. Ting Wang (“**Mr. Ting**”) and 78,768,335 ordinary shares held through Ding Capital Management Limited (“**Ding Capital**”). Ding Capital is wholly-owned by Mr. Ting.
5. Hong Kong Newdawn International Co., Limited is wholly-owned by Nanjing Textiles Import & Export Corp., Ltd. Nanjing Textiles Import & Export Corp., Ltd. is owned as to 34.99% by Nanjing Tourism Group Co., Ltd. Nanjing Tourism Group Co., Ltd. is owned as to 60% by Nanjing Urban Construction Investment Holding (Group) Co., Ltd. and 40% by Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd. Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd. and Nanjing Urban Construction Investment Holding (Group) Co., Ltd. are both wholly-owned by State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government. Therefore, each of State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government, Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd., Nanjing Urban Construction Investment Holding (Group) Co., Ltd., Nanjing Tourism Group Co., Ltd. and Nanjing Textiles Import & Export Corp., Ltd. is deemed to be interested in the shares held by Hong Kong Newdawn International Co., Limited pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the Shares or underlying Shares as recorded in the register kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS’ COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates is and was interested in any business which competes, or may compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTOR’S INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS’ INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, save for the agreements referred to in items (i) to (v) below, in which Mr. Tian is deemed to have interests, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

- (i) the shareholder loan framework agreement dated 31 December 2015 entered into between the Company and Landsea Group (the “**Framework Agreement**”) pursuant to which Landsea Group agreed to grant shareholder loan(s) in an aggregate principal amount of not exceeding RMB4,000,000,000 (or Hong Kong Dollar equivalent) to the Company and/or its subsidiaries during the two-year period up to 31 December 2017 at an interest rate of 5.5% per annum and the amounts are interest free since 1 January 2018. As at 31 December 2021, Landsea International, a wholly-owned subsidiary of Landsea Group has granted an aggregate of RMB70,417,000 to the Company which remains outstanding. Apart from the grant of shareholder’s loan under the Framework Agreement above, Landsea Group has also granted to LHC, an indirect wholly-owned subsidiary of the Company, certain loans in an aggregate principal amount of RMB1,665,000,000 with interest rate ranging from 5.294% to 6.6345% per annum repayable in 5 years from the respective date of drawdown. As at 31 December 2021, an aggregate of RMB917,577,000 remain outstanding;
- (ii) the framework agreement dated 28 December 2020 entered into between the Company and Nanjing Landsea Property Management Limited, pursuant to which Nanjing Landsea Property Management Limited and its subsidiaries shall provide properties services and properties consulting services to the Group for a term of three years commencing from 1 January 2021 to 31 December 2023 at annual caps of RMB75 million, RMB78 million and RMB82 million respectively;
- (iii) the framework agreement dated 28 December 2020 entered into between the Company and Landsea Group, pursuant to which the Group shall provide project management services to Landsea Group and its subsidiaries for a term of three years commencing from 28 December 2020 to 27 December 2023 at annual caps of RMB85 million per year;
- (iv) the framework agreement dated 28 December 2020 entered into between the Company with Shanghai Landleaf Architecture Technology Co., Ltd., pursuant to which Shanghai Landleaf Architecture Technology Co., Ltd. shall continue to provide green architecture technological services to the Group for a term of three years commencing from 1 January 2021 to 31 December 2023 at annual caps of RMB25 million, RMB28 million and RMB31 million respectively; and
- (v) the framework agreement dated 22 November 2021 entered into between the Company and Landsea Green Life Service Company Limited (“**Landsea Green Life**”) pursuant to which the Company agreed to engage Landsea Green Life and its subsidiaries (“**Landsea Green Life Group**”) as the exclusive sales agent to provide property agency services for the properties held by the Group until 31 December 2023; and Landsea Green Life Group shall pay the Group a security deposit for the performance by Landsea Green Life Group of its obligations under the agreement.

6. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which is not determinable by any member of the Group within one year without payment of compensation (other than statutory compensation).

7. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this circular and are or may be material:

- (i) the capital increase agreement dated 15 December 2021 entered into by and among Chengdu Langduo Enterprise Management Consulting Co., Ltd.* (成都朗鐸企業管理諮詢有限公司) (“**Chengdu Langduo**”), Chengdu Desun Property Co., Ltd* (成都德商置業有限公司) and Chengdu Desun Rongda Property Co., Ltd* (成都德商榮達置業有限公司) in relation to the proposed capital contribution by Chengdu Langduo in the total amount of RMB30,000,000;
- (ii) the second supplemental agreement dated 16 December 2021 to the loan agreements I entered into on 29 December 2017 between 蘇州朗坤置業有限公司(Suzhou Langkun Property Limited*) (“**Suzhou Langkun**”) and 江蘇國泰華鼎投資有限公司(Jiangsu Guotai Huading Investment Company Limited*); and a second supplemental agreement dated 16 December 2021 to the loan agreements II entered into on 29 December 2017 between Suzhou Langkun and 江蘇國泰紫金科技發展有限公司(Jiangsu Guotai Zijin Technology Development Company Limited*), pursuant to which Suzhou Langkun agreed to adjust certain terms under the loan agreements I and loan agreements II;
- (iii) the membership interest purchase agreement dated 18 January 2022 (United States Pacific Standard Time) entered into by and among Landsea Homes of Florida LLC, non-wholly owned subsidiary of the Company as purchaser; Landsea Homes Corporation, a non-wholly owned subsidiary of the Company; SAM Building Partners, LLC and Edge Creek Ventures, LLC (collectively, the “**Sellers**”); SWO Holdings Irrevocable Trust, AJO Holdings Irrevocable Trust, JMO Holdings Irrevocable Trust (collectively, the “**Seller A Members**”); and J. Matthew Orosz, Andrew Orosz, and Stephen Orosz (collectively, the “**Orosz Principals**”), pursuant to which the purchaser agreed to purchase, and the sellers agreed to sell, all of the issued equity interests of Hanover Family Builders, LLC at a purchase price which will not be greater than US\$185,000,000;
- (iv) the credit agreement dated 12 May 2022 (the “**Credit Agreement**”) entered into between LHC as borrower, and 1103849 B.C. LTD. as lender, pursuant to which the lender conditionally agreed to provide a loan in a principal amount of US\$45,000,000 to the borrower under the terms and conditions of the Credit Agreement;

- (v) the equity transfer agreement dated 17 May 2022 entered into between南京朗銘地產集團有限公司(Nanjing Langming Properties Group Limited*), an indirect wholly-owned subsidiary of the Company as vendor and南京玖富星海置業有限公司(Nanjing Jiufu Xinghai Real Estate Co., Ltd.*) as purchaser pursuant to which the vendor agreed to sell, and the purchaser agreed to purchase the entire equity interest in南京鑫貝盛投資管理有限公司(Nanjing Xinbeisheng Investment Management Limited*), an indirect wholly-owned subsidiary of the Company at the consideration of RMB85,500,000;
- (vi) the stock purchase agreement dated 31 May 2022 entered into by LHC and Green Investment Alpha Limited in relation to the disposal of 4,838,710 shares of LSEA Stock for a total consideration of US\$45,000,000;
- (vii) the put option agreement dated 31 May 2022 entered into by LHC and Green Investment Alpha Limited pursuant to which Green Investment Alpha Limited shall have the right, but not obligation, to cause LHC to purchase all or a portion of 4,838,710 shares of LSEA Stock at a price of US\$9.30 per each share of LSEA Stock;
- (viii) the equity transfer agreement dated 31 May 2022 entered into by 上海朗毓商業管理有限公司 (Shanghai Langyu Commercial Management Limited*) (“**Shanghai Langyu**”), 江蘇國泰華鼎投資有限公司(Jiangsu Guotai Huading Investment Company Limited*) and Suzhou Langkun in relation to the acquisition of 22.5% equity interest in Suzhou Langkun at the consideration of RMB41,377,657.50;
- (ix) the equity transfer agreement dated 31 May 2022 entered into by Shanghai Langyu and江蘇國泰紫金科技發展有限公司(Jiangsu Guotai Zijin Technology Development Company Limited*) in relation to the acquisition of 22.5% equity interest in Suzhou Langkun at the consideration of RMB41,377,657.50;
- (x) the share repurchase agreement dated 1 June 2022 (United States Eastern Daylight Time) entered into by LHC and Landsea Homes in relation to the repurchase of 4,398,826 shares of LSEA Stock at a repurchase price of US\$6.82 per share of LSEA Stock for a total consideration of approximately US\$30 million;
- (xi) the agreement dated 25 August 2022 entered into between, among others,上海朗昆企業管理有限公司(Shanghai Langkun Business Management Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, as vendor, and北京融匯嘉智投資管理中心(有限合夥) (Beijing Ronghui Jiazhi Investment Management Center (Limited Partnership)*) and廈門嘉晟融懋管理諮詢有限公司(Xiamen Jiasheng Rongmao Management Consulting Co. Ltd.*) as purchasers, in relation to the sale and purchase of 50% equity interest in上海融懋商業管理有限公司(Shanghai Rongmao Commercial Management Co., Ltd.*) at a total consideration of RMB137,575,942.05;
- (xii) the agreement dated 24 October 2022 entered into by and among上海朗緒企業管理諮詢有限公司(Shanghai Langxu Enterprise Management Consultancy Company Limited*), an indirect wholly-owned subsidiary of the Company, as vendor,南京朗

銘地產集團有限公司(Nanjing Langming Property Group Limited*) and上海朗青投資管理有限公司(Shanghai Langqing Investment Management Limited*) as vendor guarantors, and LAO VI CN Company VI Pte. Ltd. as purchaser in relation to the sale and purchase of 100% equity interest in上海朗松實業有限公司(Shanghai Langsong Enterprises Company Limited*) at an initial consideration of RMB102,489,655.35, subject to adjustments; and

(xiii) the Underwriting Agreement.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. GENERAL

- (a) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
- (b) The head office of the Company and principal place of business of the Company in Hong Kong is at Unit 406, 4/F., 8 Queen's Road East, Wan Chai, Hong Kong.
- (c) Ms. Gao Yuan (“**Ms. Gao**”) is the company secretary of the Company. Ms. Gao was appointed as company secretary and authorized representative of the Company on 30 December 2022. Ms. Gao is a fellow member of The Hong Kong Chartered Governance Institute. She is also a Chartered Secretary, a Chartered Governance Professional, a Certified Management Accountant (CMA) and a Chartered Financial Analyst (CFA) Charterholder.
- (d) The Bermuda principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited, at 4th floor North Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (f) This circular is prepared in both English and Chinese. In the event of inconsistency, English text shall prevail over its Chinese text unless otherwise specified.

10. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be available on display online on the Stock Exchange's website through e-Submission System and on the Company's website for a period of 14 days from the date of this circular:

- (a) the Underwriting Agreement; and
- (b) this circular.