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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

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



Gram Capital Limited

嘉林資本有限公司

A letter from the Board is set out on pages 5 to 17 of this circular.

A letter from the Independent Board Committee to the independent Shareholders is set out on pages 18 to 19 of this circular.

A letter from Gram Capital containing its advice to the Independent Board Committee and the independent Shareholders is set out on pages 20 to 35 of this circular.

A notice convening the SGM to be held at Landsea Green Center, Building 5, Lane 280, Linhong Road, Changning District, Shanghai, China, on Thursday, 21 December 2023 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Shareholders who intend to appoint a proxy to attend and vote at the SGM shall complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

1 December 2023

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DEFINITIONS

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

“2020 Project Management Services Agreement”	the framework agreement in relation to the Project Management Services entered into by the Company and Landsea Group on 28 December 2020
“2020 Properties Services and Properties Consulting Agreement”	the framework agreement in relation to the provision of properties services and property consulting services by Nanjing Landsea Property Management Group to the Group dated 28 December 2020 entered into between the Company for itself and on behalf of its subsidiaries and Nanjing Landsea Property Management for itself and on behalf of its subsidiaries
“2023 Project Management Services Agreement”	the framework agreement in relation to the Project Management Services entered into by the Company and Landsea Group on 13 October 2023
“2023 Properties Services and Properties Consulting Agreement”	the framework agreement in relation to the provision of properties services and property consulting services by Landsea Green Life Group to the Group dated 13 October 2023 entered into between the Company for itself and on behalf of its subsidiaries and Landsea Green Life for itself and on behalf of its subsidiaries
“associate”	has the meaning as defined under the Listing Rules
“Board”	board of Directors
“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
“Easycorps”	Easycorps Group Limited, a company wholly-owned by Mr. Tian Ming
“GFA”	grossed floor area
“Greensheid”	Greensheid Corporation, a wholly-owned subsidiary of Landsea International

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board (which comprises Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng, all of whom are independent non-executive Directors) established to advise the independent Shareholders with regard to the transactions contemplated under each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the related annual caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and independent Shareholders in respect of the transactions contemplated under each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the related annual caps
“Landsea Green Life”	Landsea Green Life Service Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1965)
“Landsea Green Life Group”	Landsea Green Life and its subsidiaries
“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 International”	Landsea International Holdings Limited, a controlling shareholder of the Company
“Latest Practicable Date”	30 November 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“Mr. Tian”	Mr. Tian Ming, the Chairman and executive Director of the Company
“Nanjing Landsea Property Management”	Nanjing Landsea Property Management Limited* (南京朗詩物業管理有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of Landsea Green Life as at the Latest Practicable Date
“Nanjing Landsea Property Management Group”	Nanjing Landsea Property Management and its subsidiaries
“PRC”	the People’s Republic of China
“Project Management Services”	the project management services provided or to be provided by the Group to Landsea Group or its subsidiaries pursuant to the terms of the 2020 Project Management Services Agreement or the 2023 Project Management Services Agreement
“Properties Services and Properties Consulting Services”	the properties management services and properties consulting services to be provided by Landsea Green Life Group to the Group pursuant to the terms of the 2023 Properties Services and Properties Consulting Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held by the Company at Landsea Green Center, Building 5, Lane 280, Linhong Road, Changning District, Shanghai, China at 11:00 a.m. on 21 December 2023 for the purpose of, among other things, considering and, if thought fit, approving the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder and the related annual caps
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” 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

1 December 2023

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 13 October 2023 in relation to, among other things, the 2023 Properties Services and Properties Consulting Agreement, the 2023 Project Management Services Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the 2023 Properties Services and Properties Consulting Agreement, the 2023 Project Management Services Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee; (iii) the advice of Gram Capital; and (iv) a notice convening the SGM.

LETTER FROM THE BOARD

2. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 28 December 2020, regarding, among other things, the 2020 Properties Services and Properties Consulting Agreement, the 2020 Project Management Services Agreement and the transactions contemplated thereunder.

2.1 CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF PROJECT MANAGEMENT SERVICES

On 13 October 2023, the Company (for itself and on behalf of its subsidiaries) and Landsea Green Life (for itself and on behalf of its subsidiaries) entered into the 2023 Properties Services and Properties Consulting Agreement, pursuant to which Landsea Green Life Group shall provide Properties Services and Properties Consulting Services to the Group for a term of three years commencing from 1 January 2024 to 31 December 2026.

The principal terms of the 2023 Properties Services and Properties Consulting Agreement are set forth below.

Subject matter

Pursuant to the 2023 Properties Services and Properties Consulting Agreement, Landsea Green Life Group agrees to provide to the Group the Properties Services and Properties Consulting Services which include (i) property management services, including but not limited to, preliminary property management services for property projects prior to their delivery to the property owners, management services for property units and car parking lots which remain unsold and house repairing services; (ii) sales agency services for residential properties, commercial properties and car parking lots of property projects which remain unsold; and (iii) pre-delivery property consultancy and management services, including but not limited to, preliminary planning and design consultancy services and display units managements services.

The Group shall, following the tender or quotation process in accordance with the relevant PRC laws and regulations, enter into definitive property management agreements with Landsea Green Life Group according to relevant tender and quotation documents from time to time.

LETTER FROM THE BOARD

Payment terms

Payments for the Properties Services and Properties Consulting Services shall be governed by the definitive property management agreements to be entered into between members of the Group and Landsea Green Life Group, and such definitive property management agreements shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the 2023 Properties Services and Properties Consulting Agreement. In general, the fee payable for the Properties Services and Properties Consulting Services of the previous month would be paid by the 25th day of each month. Penalty interest will be imposed if payment is not made after the 25th day of each month.

Pricing Policy

The service fees of the Properties Services and Properties Consulting Services provided by Landsea Green Life Group pursuant to the 2023 Properties Services and Properties Consulting Agreement will be determined based on the fee quotes submitted to the Group based on prevailing market prices, with reference to the rates generally provided by independent third parties to the Group and the rates generally provided by Landsea Green Life Group to independent third parties, being persons who are not connected with the Company under Chapter 14A of the Listing Rules, in respect of comparable services.

In addition, the service fees for the Properties Services and Properties Consulting Services will also take into consideration factors, including but not limited to the nature, size and location of the property projects, scope of services, operating costs and pricing terms as recommended by the relevant government authorities, if any.

The transactions contemplated under the 2023 Properties Services and Properties Consulting Services Agreement shall be on normal commercial terms or better that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Group will obtain quotations from independent third parties and conduct inspection to review and assess whether the services will be carried out pursuant to the relevant agreement and are not less favourable than those terms offered by independent third parties before entering into any new transaction.

LETTER FROM THE BOARD

Term

The fixed term of the 2023 Properties Services and Properties Consulting Agreement is three years commencing from 1 January 2024 to 31 December 2026, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Historical transaction amounts

The annual caps for the property services and property consulting services under the 2020 Properties Services and Properties Consulting Agreement for the year ended 31 December 2021, for the year ended 31 December 2022 and for the year ending 31 December 2023 are RMB75 million, RMB78 million and RMB82 million respectively.

The amount of fees for the Property Services and Property Consulting Services paid by the Group to Nanjing Landsea Property Management and/or their respective subsidiaries for the year ended 31 December 2021, the year ended 2022 and the six months ended 30 June 2023 are as follows:

Period	Amount of service fees paid to Nanjing Landsea Property Management and/or their respective subsidiaries (RMB'million) (approx.)
Year ended 31 December 2021	74.2
Year ended 31 December 2022	36.5
Six months ended 30 June 2023	<u>10.5</u>

Annual caps

The annual caps for the Properties Services and Properties Consulting Services under the 2023 Properties Services and Properties Consulting Agreement for each of the three years ending 31 December 2024, 2025 and 2026 are as follows:

Period	Annual cap RMB'million
Year ending 31 December 2024	40
Year ending 31 December 2025	40
Year ending 31 December 2026	<u>40</u>

LETTER FROM THE BOARD

The annual caps under the 2023 Properties Services and Properties Consulting Agreement are determined with reference to the following factors which are considered to be reasonable and justifiable in the circumstances: (i) the historical transaction amount in respect of the Properties Services and Properties Consulting Services; (ii) the estimated revenue in respect of existing contracts entered into between the Group and Landsea Green Life Group; (iii) the expected number of projects and GFA to be developed by the Group for the three years ending 31 December 2026 under its development plan and the expected demand for the Property Management and Property Consulting Services from Landsea Green Life Group; and (iv) the scope of the Properties Services and Properties Consulting Services to be provided to the Group from Landsea Green Life Group pursuant to the 2023 Properties Services and Properties Consulting Agreement in light of the demand of the Group under its development plan.

2.2 CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF PROJECT MANAGEMENT SERVICES

On 13 October 2023, the Company (for itself and on behalf of its subsidiaries) and Landsea Group (for itself and on behalf of its subsidiaries) entered into the 2023 Project Management Services Agreement, pursuant to which the Group shall continue to provide Project Management Services to Landsea Group and its subsidiaries for a term of three years commencing from 28 December 2023 to 27 December 2026.

Principal terms of the 2023 Project Management Services Agreement are as follows:

Subject matter

The Group shall provide Project Management Services to Landsea Group and its subsidiaries.

The Project Management Services include: (i) project management services at early stage, including customers survey, project positioning planning, planning and design management and project prophase management; (ii) sales management, including operation and planning management and customers services and supervision; (iii) construction and delivery management services, including procurement management, cost control, engineering construction management, completion acceptance and delivery management, customers services and maintenance management; (iv) other management services, including administration management, human resources management, drawings and files management and financial management; (v) financing consulting services; and (vi) sales arrangement services for the sale of projects at their sale stage.

LETTER FROM THE BOARD

Pricing and payment

Pursuant to the 2023 Project Management Services Agreement, (i) the price for provision of project management services at early stage, sales management services, construction and delivery management services, other management services and financing consulting services by the Group shall be based on the prevailing market price of the similar services provided by the Group, which shall be not more favourable than that offered by the Group to independent third parties; and (ii) the price for provision of sales arrangement services for sale of projects shall be determined according to the standard price based on market practice.

In order to make sure the prices actually charged are on normal commercial terms and are not more favourable than those offered by the Group to independent third parties, the Group will conduct inspection to review and assess whether the services are carried out pursuant to the relevant agreement and are not less favourable than those terms offered to independent third parties before entering into any new transaction.

The payment terms of Project Management Services will be based on normal commercial terms and common practice, and are not more favourable than those terms offered by the Group to independent third parties. In general, for the Project Management Services, monthly fee for the first two months would be paid within 5 working days after the date of the definitive agreement and after the first two months, the monthly fee would be paid by the 10th day or 15th day of the month. Penalty interest will be imposed if payment is not made after the 10th day or 15th of the month. If a payment is overdue for more than 30 days, the Group has the right to terminate the definitive agreement unilaterally.

Term

The fixed term of the 2023 Project Management Services Agreement is three years commencing from 28 December 2023 to 27 December 2026.

Historical Transactions

The annual caps for the Project Management Services under the 2020 Project Management Services Agreement for the period from 28 December 2020 to 27 December 2021, the period from 28 December 2021 to 27 December 2022 and the period from 28 December 2022 to 27 December 2023 are RMB85 million, RMB85 million and RMB85 million respectively.

LETTER FROM THE BOARD

The transactions amount for the Project Management Services under the 2020 Project Management Services Agreement for the following period are as follows:

Period	Amount <i>RMB'million</i>
For the period from 28 December 2020 to 27 December 2021	84.9
For the period from 28 December 2021 to 27 December 2022	60.1
For the period from 28 December 2022 to 30 June 2023	<u>3.9</u>

Annual caps

The respective annual caps for the Project Management Services under the 2023 Project Management Services Agreement for each of the three years commencing from 28 December 2023 to 27 December 2026 are as below:

Period	Annual cap <i>RMB'million</i>
For the period from 28 December 2023 to 27 December 2024	90
For the period from 28 December 2024 to 27 December 2025	90
For the period from 28 December 2025 to 27 December 2026	<u>90</u>

The annual caps are estimated based (i) on the expected demand for project development and management services of Landsea Group by reference to the services fee previously charged and after taking into account the prevailing market price; and (ii) the sales arrangement services for sale of properties at their sale stage are calculated by reference to the demand for project sales arrangement of Landsea Group and the standard price based on market practice. Although the transactions amount for the Project Management Services under the 2020 Project Management Services Agreement for the period from 28 December 2022 to 30 June 2023 was only approximately RMB3.9 million, the transactions amount for the period from 1 July 2023 to 27 December 2023 is expected to be approximately RMB36 million based on the current projects in respect of which the Group provides the Project Management Services to Landsea Group. In addition, the Company expects to secure additional new projects from Landsea Group in 2024. Therefore, the Company considers that it is fair and reasonable to set the proposed annual cap at RMB90 million.

LETTER FROM THE BOARD

3. INTERNAL CONTROL MEASURES FOR CONTINUING CONNECTED TRANSACTIONS

The pricing policy will be supervised and monitored by the management of the Group in charge to ensure that the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The management of the Group will also conduct regular checks to review and assess whether the transactions contemplated under each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement are conducted in accordance with their respective terms and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the Company's auditor will also conduct an annual review on the pricing terms and annual caps thereof.

4. REASONS FOR ENTERING INTO THE 2023 PROPERTIES SERVICES AND PROPERTIES CONSULTING AGREEMENT AND THE 2023 PROJECT MANAGEMENT SERVICES AGREEMENT

4.1 2023 Properties Services and Properties Consulting Agreement

The Directors (excluding Mr. Tian and including the independent non-executive Directors) consider that it is beneficial to the Group to continue to receive property management services and property consulting services from Landsea Green Life Group under the 2023 Properties Services and Properties Consulting Agreement, taking into consideration (i) the extensive knowledge and experience in property management services and property consulting of Landsea Green Life Group which can facilitate the development of the property projects of the Group through the services it provides to the Group and (ii) the past cooperation relationship and track record of the provision of reliable, efficient and satisfactory services to the Group.

Furthermore, the size and number of property projects developed and to be developed by the Group has been stable in the past few years resulting in an ongoing demand for various property management services. Taking into account the above factors, the entering into of the 2023 Properties Services and Properties Consulting Agreement and the terms and conditions thereof are in line with the business needs and commercial objectives of the Group.

4.2 2023 Project Management Services Agreement

As disclosed in the circular of the Company dated 14 March 2014, the majority of the property development and management staff of Landsea Group has been transferred to the Group and the expertise and know-how of green residential property development of Landsea Group has also been transferred to the Group. Therefore, Landsea Group did not engage in development and management and has to outsourcing the relevant business.

LETTER FROM THE BOARD

Also, the Group will increase revenue and strengthen cash flow from providing Project Management Services to Landsea Group pursuant to the 2023 Project Management Services Agreement.

Based on the foregoing, the Directors (excluding Mr. Tian but including independent non-executive Directors) believe that the entering into of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the terms of each of them are in the ordinary and usual course of the business of the Company, on normal commercial terms, the terms of which are fair and reasonable and are in the best interests of the Company and its shareholders as a whole.

5. INFORMATION ON THE PARTIES

The Company is an investment holding company. The Group is principally engaged in development and sales of properties, provision of project management services and leasing of properties.

Landsea Green Life is 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). Landsea Green Life 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. Landsea Green Life is indirectly held as to 40.20% by Mr. Tian. Landsea Green Life, being an associate of Mr. Tian, is also regarded as a connected person of the Company.

Landsea Group is a company established in the PRC with limited liability, and through its direct and indirect wholly-owned subsidiaries, is interested in 2,365,876,081 Shares, representing approximately 50.1% of the total number of Shares in issue. Landsea Group is the controlling Shareholder of the Company. Mr. Tian is the controlling shareholder of Landsea Group. As at the Latest Practicable Date, Landsea Group is owned as to 50% by Mr. Tian (directly and through a PRC company), as to approximately 26.20% by Nanjing Textile Import & Export Company Limited* (南京紡織品進出口股份有限公司) (“**Nanjing Textile**”), as to approximately 20.12% by Shenzhen Yingxin Guofu Asset Management Company Limited* (深圳市盈信國富資產管理有限公司) (Now known as 深圳市盈信國富實業有限公司) (“**Shenzhen Yingxin Guofu**”), and as to an aggregate of approximately 3.68% held by two individuals and one company. The ultimate beneficial owner of Nanjing Textile is Nanjing Tourism Group Co., Ltd* (南京旅遊集團有限責任公司) which is a state owned enterprise. The ultimate beneficial owner of Shenzhen Yingxin Guofu is Lin Jinfeng* (林勁峰).

LETTER FROM THE BOARD

On 23 November 2023, Shanghai TongDa Venture Capital CO., LTD (上海同達創業投資股份有限公司) (stock code: 600647), the share of which are listed on Shanghai Stock Exchange (“**Shanghai TongDa**”), Shanghai Chunming Investment Company Limited* (上海淳明投資有限公司) (“**Shanghai Chunming**”), Shanghai Chongchuang Investment Partnership (Limited Partnership)* (上海崇創投資合夥企業(有限合夥)) (“**Shanghai Chongchuang**”, together with Shanghai Chunming, the “**Donors**”) and Shanghai Landleaf Architecture Technology Co., Ltd.* (上海朗綠建築科技股份有限公司) (“**Landleaf Architecture Technology**”) entered into a grant agreement, pursuant to which the Donors granted 26,193,550 shares of Landleaf Architecture Technology, representing approximately 51.02% of the total number of the issued shares of Landleaf Architecture Technology, to Shanghai TongDa (the “**Grant**”), due to strategic cooperation between Shanghai TongDa and the controlling shareholder of Shanghai Chunming, Landsea Group.

Upon completion of the Grant, Landleaf Architecture Technology is owned as to approximately 51.02% by Shanghai TongDa, approximately 14.65% by Mr. Tian (through Shanghai Chunming and Shanghai Chongchuang), as to approximately 14.03% by Jiangsu Guotai Zijin Technology Development Company Limited* (江蘇國泰紫金科技發展有限公司) (“**Jiangsu Guotai Zijin**”), as to approximately 7.63% by Shenzhen Big Ben E-commerce Company Limited* (深圳市大笨鐘電子商務有限公司) (“**Shenzhen Big Ben**”), as to approximately 5.44% by Suzhou Yuanda Investment Company Limited* (蘇州遠大投資有限公司), and as to an aggregate of approximately 7.23% held by six individuals and one company, each of them holds not more than 5%. Jiangsu Guotai Zijin is a wholly owned subsidiary of Jiangsu Guotai International Group Co., Ltd. (江蘇國泰國際集團股份有限公司) (stock code: 002091), the share of which are listed on Shenzhen Stock Exchange. The ultimate beneficial owner of Shenzhen Big Ben is Shenzhen Yingxin Guofu Asset Management Company Limited* (深圳市盈信國富資產管理有限公司) (Now known as 深圳市盈信國富實業有限公司), which is ultimately owned by Lin Jinfeng* (林勁峰).

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Shanghai TongDa and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

As at the Latest Practicable Date, Mr. Tian and its associates control approximately 14.65% of Landleaf Architecture Technology and Landleaf Architecture Technology is no longer an associate of Mr. Tian, and therefore, no longer a connected person of the Company.

In light of the above, the transactions contemplated under the 2023 Green Architecture Technological Services Agreement as disclosed in the announcement of the Company dated 13 October 2023 no longer constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

6. IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date,

- (i) Landsea Group through its direct and indirect wholly-owned subsidiaries, is interested in 2,365,876,081 Shares, representing approximately 50.1% of the total number of Shares in issue, and is therefore a connected person of the Company; and
- (ii) Landsea Green Life is indirectly held as to 40.20% by Mr. Tian, the Chairman of the Company and an executive Director. Landsea Green Life, being an associate of Mr. Tian, is therefore a connected person of the Company.

The 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in relation to the annual maximum transaction amounts under the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement exceed 5%, the transactions contemplated under the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement are subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

7. GENERAL INFORMATION

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the independent Shareholders as to whether the terms of each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder are fair and reasonable, and whether the respective transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the independent Shareholders on how to vote at the SGM, after taking into account the recommendations of the Independent Financial Adviser.

Gram Capital Limited has been appointed by the Company to advise the Independent Board Committee and the independent Shareholders in this regard.

8. SGM

A notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular. In accordance with the requirements of the Listing Rules, all votes to be taken at the SGM will be by way of poll. An announcement on the poll vote results will be published by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for the SGM is enclosed herewith. Shareholders who intend appoint a proxy to attend and vote the SGM shall complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, Mr. Tian and its associates, including Greensheid, Landsea International and Easycorps, hold an aggregate of 2,764,347,366 Shares as at the Latest Practicable Date, shall abstain from voting on the resolution approving each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder at the SGM. Save as disclosed above, as at the Latest Practicable Date, none of the other Shareholders will be required to abstain from voting on the resolutions in respect of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement at the SGM.

9. RECOMMENDATION

Mr. Tian, the Chairman and an executive Director, who is beneficially interested in (i) 50% of Landsea Group and (ii) approximately 40.20% of Landsea Green Life. Mr. Tian is deemed to have interest in the transactions contemplated under the 2023 Properties Services and Properties Consulting Agreement and the transactions contemplated under the 2023 Project Management Services Agreement. Therefore, Mr. Tian has abstained from voting in respective of the resolutions for approving the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement at the Board meeting for approving the same.

Save as disclosed above, no other Director is regarded as having a material interest in the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder and hence no other Director is required under the Listing Rules to abstain from voting on the resolutions approving the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder and the related annual caps at the relevant Board meeting.

The Directors (other than Mr. Tian who has abstained from voting but including the independent non-executive Directors after taking into consideration the advice of Gram Capital) consider that the terms of each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder (including the proposed annual caps contemplated thereunder) are entered into in the usual and ordinary course of business of the Group, are conducted on an arm's length basis and on normal commercial terms, and are fair and

LETTER FROM THE BOARD

reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the independent Shareholders to vote in favour of the ordinary resolution in relation to each of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder (including the proposed annual caps contemplated thereunder) at the SGM.

10. ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this circular, the letter from Gram Capital set out on pages 20 to 35 of this circular, and the general information set out in the appendix to this circular.

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



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)

1 December 2023

To the independent Shareholders,

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders dated 1 December 2023 (the “**Circular**”) which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee and to advise you on whether the terms of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder (including the proposed annual caps for those transactions) are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, in the interests of the Company and the Shareholders as a whole, and how the independent Shareholders should vote on the resolutions at the SGM. Gram Capital Limited has been appointed as the Independent Financial Adviser to advise us and the independent Shareholders in this regard.

We wish to draw your attention to the “Letter from the Board” set out on pages 5 to 17 of the Circular and the “Letter from Gram Capital” set out on pages 20 to 35 of the Circular. Your attention is also drawn to the additional information set out in the appendix thereto.

Having taken into account (i) the terms and conditions of the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement; and (ii) the factors and reasons considered by, and the advice and recommendations of, Gram Capital as set out in its letter of advice, we are of the opinion that (i) the terms of each the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement (including the proposed annual caps) are fair and reasonable; and (ii) the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the 2023 Properties Services and Properties Consulting Agreement and the 2023 Project Management Services Agreement and the transactions contemplated thereunder (including the proposed annual caps for those transactions).

Yours faithfully,
Independent Board Committee of
Landsea Green Management Limited

Mr. Xu Xiaonian
Independent
non-executive Director

Mr. Chen Tai-yuan
Independent
non-executive Director

Mr. Rui Meng
Independent
non-executive Director

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

1 December 2023

*To: The independent board committee and the Independent Shareholders
of Landsea Green Management Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Properties Services and Property Consulting Services; and (ii) Project Management Services (collectively, the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 1 December 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 13 October 2023:

- (i) the Company (for itself and on behalf of its subsidiaries) and Landsea Green Life (for itself and on behalf of its subsidiaries) entered into the 2023 Properties Services and Properties Consulting Agreement, pursuant to which Landsea Green Life Group shall provide Properties Services and Properties Consulting Services to the Group for a term of three years commencing from 1 January 2024 to 31 December 2026; and
- (ii) the Company (for itself and on behalf of its subsidiaries) and Landsea Group (for itself and on behalf of its subsidiaries) entered into the 2023 Project Management Services Agreement, pursuant to which the Group shall continue to provide Project Management Services to Landsea Group and its subsidiaries for a term of three years commencing from 28 December 2023 to 27 December 2026.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng (being all independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

The 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 the 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 the Circular or any statement therein misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Landsea Green Life, Landsea Group or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

A. BACKGROUND

Information on the Group

With reference to the Board Letter, the Company is an investment holding company and the Group is principally engaged in development and sales of properties, provision of project management services and leasing of properties.

LETTER FROM GRAM CAPITAL

Set out below is a summary of the Group’s financial information for the two years ended 31 December 2022 and for the six months ended 30 June 2023 (together with comparative figures), as extracted from the Company’s annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”) and the Company’s interim report for the six months ended 30 June 2023 (the “**2023 Interim Report**”):

	For the six months ended 30 June 2023 (“1H2023”) RMB’000 (<i>unaudited</i>)	For the six months ended 30 June 2022 (“1H2022”) RMB’000 (<i>unaudited</i>)	Year-on-year change %	For the year ended 31 December 2022 (“FY2022”) RMB’000 (<i>audited</i>)	For the year ended 31 December 2021 (“FY2021”) RMB’000 (<i>audited</i>)	Year-on-year change %
Revenue	3,963,755	5,751,373	(31.08)	14,018,521	8,076,070	73.58
— Property development and sales in the United States of America	3,733,459	4,453,215	(16.16)	9,771,696	6,511,064	50.08
— Property development and sales in the PRC	15,085	1,013,784	(98.51)	3,888,601	809,187	380.56
— Management services	213,161	282,557	(24.56)	352,981	751,752	(53.05)
— Office property investment	2,050	1,817	12.82	5,243	4,067	28.92
Gross profit	727,949	1,170,833	(37.83)	1,353,832	1,669,667	(18.92)
Loss for the year/period	(3,655)	(390,323)	(99.06)	(2,453,752)	(696,191)	252.45

As depicted in the above table, the Group’s revenue was approximately RMB14,019 million for FY2022, represented an increase of approximately 73.58% as compared to that for FY2021. With reference to the 2022 Annual Report, such increase was primarily due to increase in total sales area of properties, mainly attributable to the Group’s various property projects in the United States of America and the PRC. Despite the aforesaid increase in revenue, the Group’s gross profit for FY2022 decreased by approximately 18.92% as compared to that for FY2021.

The Group’s loss increased by approximately 252.45% from approximately RMB696 million for FY2021 to approximately RMB2,454 million for FY2022. With reference to the 2022 Annual Report, such increase in loss was mainly due to the combined effect of (i) decrease in gross profit; (ii) increase in selling expenses; (iii) decrease in administrative expenses; (iv) increase in net impairment losses on financial and contract assets; (v) increase in net other losses; (vi) increase finance costs; (vii) share of net loss of joint ventures; and (viii) increase in income tax expenses.

LETTER FROM GRAM CAPITAL

The Group's revenue was approximately RMB3,964 million for 1H2023, represented a decrease of approximately 31.08% as compared to that for 1H2022, primarily attributable to significant decrease in revenue from property development and sales in the PRC. Notwithstanding the aforesaid decrease in revenue for 1H2023, the Group's loss for 1H2023 decreased by approximately 99.06% as compared to that for 1H2022. With reference to the 2023 Interim Report, such decrease was mainly due to (i) recognition of net reversal of impairment losses on financial assets for 1H2023 as opposed to net provision for impairment losses on financial assets for 1H2022; (ii) turnaround from other net losses for 1H2022 to other net gains for 1H2023; and (iii) turnaround from share of net loss of joint ventures for 1H2022 to share of net profit of joint ventures for 1H2023.

With reference to the 2023 Interim Report, as at 30 June 2023, the Group had reserve projects with aggregate saleable area of approximately 7.44 million square meters and expected saleable value of approximately RMB143.46 billion. Furthermore, the Group acquired a total of 73 project management services projects with saleable area of 5.2 million square meters and expected saleable value of approximately RMB99.85 billion. The Group held properties-for-rent with total gross floor area of 80,536 square meters and equity-held projects with gross floor area of 46,752 square meters.

Information on Landsea Group

With reference to the Board Letter, Landsea Group is a company established in the PRC with limited liability. As at the Latest Practicable Date, (i) Landsea Group, through its direct and indirect wholly-owned subsidiaries, is interested in 2,365,876,081 Shares, representing approximately 50.1% of the total number of Shares in issue, Landsea Group is a controlling Shareholder and is therefore a connected person of the Company; and (ii) Landsea Group is owned as to 50% by Mr. Tian (directly and through a PRC company).

Information on Landsea Green Life

With reference to the Board Letter, Landsea Green Life is a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1965). Landsea Green Life 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. As at the Latest Practicable Date, Landsea Green Life is indirectly held as to 40.20% by Mr. Tian. Landsea Green Life is a connected person of the Company.

LETTER FROM GRAM CAPITAL

Reasons for and benefits of the Transactions

With reference to the Board Letter, it is beneficial to the Group to continue to receive property management services and property consulting services from Landsea Green Life Group under the 2023 Properties Services and Properties Consulting Agreement, given (i) Landsea Green Life Group's extensive knowledge and experience in property management services and property consulting which can facilitate the development of the Group's property projects through the services it provides to the Group; and (ii) the past cooperation relationship and track record of providing reliable, efficient and satisfactory services to the Group.

We noted from the 2023 Interim Report that, as at 30 June 2023, the total gross floor area of the Group's accumulated land reserve was approximately 23.1 million square meters, of which approximately 8.1 million square meters are under development and approximately 5.3 million square meters are for future development. As such, we consider that it is therefore commercially viable for the Group to utilise the Properties Services and Properties Consulting Services under terms that are no less favourable than those offered by independent third parties.

In respect of the Project Management Services, as noted from the Board Letter, majority of the property development and management staff, expertise and know-how of green residential property development of Landsea Group was transferred to the Group, it is therefore necessary for Landsea Group to outsource such activities. The provision of Project Management Services also provides a source of revenue to the Group.

Having considered the above, we are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

B. TERMS OF THE TRANSACTIONS

B.1. Principal terms of the Properties Services and Properties Consulting Services

Pursuant to the 2023 Properties Services and Properties Consulting Agreement, Landsea Green Life Group agrees to provide to the Group the Properties Services and Properties Consulting Services which include (i) property management services, including but not limited to, preliminary property management services for property projects prior to their delivery to the property owners, management services for property units and car parking lots which remain unsold and house repairing services; (ii) sales agency services for residential properties, commercial properties and car parking lots of property projects which remain unsold; and (iii) pre-delivery property consultancy and management services, including but not limited to, preliminary planning and design consultancy services and display units managements services.

The fixed term of the 2023 Properties Services and Properties Consulting Agreement is three years commencing from 1 January 2024 to 31 December 2026.

Pricing policies and payment terms

With reference to the Board Letter, the service fees of the Properties Services and Properties Consulting Services provided by Landsea Green Life Group pursuant to the 2023 Properties Services and Properties Consulting Agreement will be determined based on the fee quotes submitted to the Group based on prevailing market prices, with reference to the rates generally provided by independent third parties to the Group and the rates generally provided by Landsea Green Life Group to independent third parties. In addition, the service fees for the Properties Services and Properties Consulting Services will also take into consideration factors, including but not limited to the nature, size and location of the property projects, scope of services, operating costs and pricing terms as recommended by the relevant government authorities, if any.

With reference to the Board Letter, the Group will obtain quotations from independent third parties and conduct inspection to review and assess whether the services will be carried out pursuant to the relevant agreement and are not less favourable than those terms offered by independent third parties before entering into any new transaction. We consider the effective implementation of the pricing procedures will help to ensure the fair pricing of the Properties Services and Properties Consulting Services and the compliance of the pricing policies.

LETTER FROM GRAM CAPITAL

For our due diligence purpose, we obtained from the Company a list of transactions regarding the Properties Services and Properties Consulting Services for each of the two years ended 31 December 2022 and for 1H2023. From the aforesaid list, we randomly selected and obtained one contract regarding the Properties Services and Properties Consulting Services for each of the two years ended 31 December 2022 and for 1H2023 (the “**Landsea Life Contracts**”), together with relevant quotations obtained from independent third parties regarding the same real estate project or contracts entered into between the Group and independent third parties regarding similar services under the same real estate project (the “**Independent PS Contracts**”). Based on the documents obtained, we noted that the service fee or service fee rate charged by Landsea Green Life Group were not higher than those offered by independent third parties.

With reference to the 2022 Annual Report, the Company’s auditor was engaged to reporting on the Group’s continuing connected transactions (including the Properties Services and Properties Consulting Services) for FY2022. The Company’s auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Company in accordance with Rule 14A.56 of the Listing Rules (the “**Auditor’s Confirmation**”). The independent non-executive Directors of also reviewed the Group’s continuing connected transactions (including the Properties Services and Properties Consulting Services) for FY2022 and confirmed that these transactions have been entered into (i) in the ordinary course and usual course of business of the Company; (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and (iii) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole (the “**INEDs’ Confirmation**”).

With reference to the Board Letter, payments for the Properties Services and Properties Consulting Services shall be governed by the definitive property management agreements to be entered into between members of the Group and Landsea Green Life Group, and such definitive property management agreement shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the 2023 Properties Services and Properties Consulting Agreement.

Based on the Landsea Life Contracts and the Independent PS Contracts, we noted that the credit period offered by Landsea Green Life Group to the Group were no less favourable to the Group as compared with those offered to the Group by independent third parties.

LETTER FROM GRAM CAPITAL

Proposed annual caps

Set out below are (i) the historical transaction amounts of the Properties Services and Properties Consulting Services for the three years ending 31 December 2023, together with the existing annual caps; and (ii) the proposed annual caps for the three years ending 31 December 2026:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> (“FY2023”)
Historical transaction amounts	74.2	36.5	10.5 (<i>Note</i>)
Existing annual caps	75	78	82
Utilisation rate (%)	98.93	46.79	N/A
	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
	<i>RMB million</i> (“FY2024”)	<i>RMB million</i> (“FY2025”)	<i>RMB million</i> (“FY2026”)
Proposed annual caps	40	40	40

Note: The figure is for 1H2023.

The proposed annual caps were determined based on various factors, details of which are set out in the sub-section headed “Annual caps” under the section headed “2.1 CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF PROPERTIES SERVICES AND PROPERTIES CONSULTING SERVICES” of the Board Letter.

As illustrated above, the utilisation rates of the existing annual caps were approximately 98.93% for FY2021 and 46.79% for FY2022.

To assess the fairness and reasonableness of the proposed annual caps, we obtained from the Company the proposed annual caps calculation for the three years ending 31 December 2026. We noted that the proposed annual caps were formulated based on (i) the estimated transaction amounts of Properties Services and Properties Consulting Services for the three years ending 31 December 2026; and (ii) a buffer of 15%.

LETTER FROM GRAM CAPITAL

We noted from the proposed annual caps calculation that the estimated transaction amounts of Properties Services and Properties Consulting Services consist of (i) property management services; (ii) sales agency services for residential properties and car parking lots of property projects; and (iii) pre-delivery property consultancy and management services. The estimated transaction amount for (i) and (ii) in aggregate accounted for over 80% of the total estimated transaction amount for each of the three years ending 31 December 2026.

Property management services

The estimated transaction amounts of property management services from Landsea Green Life Group were formulated based on (i) the Group's real estate projects which require property management services to be provided by Landsea Green Life Group; (ii) floor area of relevant property units or number of carparking spaces; and (iii) estimated fee rates. The Company also provided us estimated transaction amounts of property management services from independent third parties which demonstrated that the estimated fee rates of property management services from Landsea Green Life Group are generally at similar levels of the estimated fee rates of property management services from independent third parties.

Sales agency services

The estimated transaction amounts of sales agency services from Landsea Green Life Group were formulated based on (i) the Group's real estate projects which had been or shall be launched for sale (ii) number of relevant residential units or carparking spaces and their respective estimated selling prices; (iii) annual target sales rates for each of the three years ending 31 December 2026; and (iii) estimated sales agency fee rates for relevant real estate projects. The Company also provided us estimated transaction amounts of sales agency services from independent third parties which demonstrated that the estimated sales agency fee rates of sales agency services from Landsea Green Life Group are generally at similar levels of the estimated sales agency fee rates of sales agency services from independent third parties.

Based on the aforesaid, we do not doubt the reasonableness of the estimated transaction amounts of the Properties Services and Properties Consulting Services for the three years ending 31 December 2026.

Buffer

We noted that the Company applied a buffer of 15% to the estimated transaction amounts to cater for any unanticipated increase in price or the Group's business scale under the Properties Services and Properties Consulting Services. Having considered the Properties Services and Properties Consulting Services historical amount of approximately RMB74.2 million for FY2021, we are of the view that the buffer of 15% is justifiable.

LETTER FROM GRAM CAPITAL

In light of the above, we consider the proposed annual caps for the three years ending 31 December 2026 are fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of costs to be incurred from the Properties Services and Properties Consulting Services. Consequently, we express no opinion as to how closely the actual costs to be incurred from the Properties Services and Properties Consulting Services will correspond with the proposed annual caps.

Having considered the principal terms of the Properties Services and Properties Consulting Services above, we are of the view that the terms of the Properties Services and Properties Consulting Services (including the proposed annual caps) are on normal commercial terms and are fair and reasonable.

B.2. Principal terms of the Project Management Services

Pursuant to the 2023 Project Management Services Agreement, the Group shall provide Project Management Services to Landsea Group and its subsidiaries, including (i) project management services at early stage, including customers survey, project positioning planning, planning and design management and project prophase management; (ii) sales management, including operation and planning management and customers services and supervision; (iii) construction and delivery management services, including procurement management, cost control, engineering construction management, completion acceptance and delivery management, customers services and maintenance management; (iv) other management services, including administration management, human resources management, drawings and files management and financial management; (v) financing consulting services; and (vi) sales arrangement services for the sale of projects at their sale stage.

The fixed term of the 2023 Project Management Services Agreement is three years commencing from 28 December 2023 to 27 December 2026.

Pricing policies and payment terms

With reference to the Board Letter, (i) the price for provision of project management services at early stage, sales management services, construction and delivery management services, other management services and financing consulting services by the Group shall be based on the prevailing market price of the similar services provided by the Group, which shall be not more favourable than that offered by the Group to independent third parties; and (ii) the price for provision of sales arrangement services for sale of projects shall be determined according to the standard price based on market practice.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, in order to make sure the prices actually charged are on normal commercial terms and are not more favourable than those offered by the Group to independent third parties, the Group will conduct inspection to review and assess whether the services are carried out pursuant to the relevant agreement and are not less favourable than those terms offered to independent third parties before entering into any new transaction. We consider the effective implementation of the pricing procedures will help to ensure the fair pricing of the Project Management Services and the compliance of the pricing policies.

For our due diligence purpose, we obtained from the Company a list of transactions regarding the Project Management Services for each of the two years ended 31 December 2022 and for 1H2023. From the aforesaid list, we randomly selected and obtained one contract regarding the Project Management Services for each of the two years ended 31 December 2022 and for 1H2023 (the “**Landsea Group Contracts**”), together with contracts entered into between the Group and independent third parties regarding similar services (the “**Independent PM Contracts**”). Based on the documents obtained, we noted that the service fee rate charged by the Group for the Project Management Services was higher than those charged by the Group for similar services provided to independent third parties.

With reference to the 2022 Annual Report, the Company’s auditor was engaged to reporting on the Group’s continuing connected transactions (including the Project Management Services) for FY2022 and issued the Auditor’s Confirmation. The independent non-executive Directors also reviewed the Group’s continuing connected transactions (including the Project Management Services) for FY2022 and provided the INEDs’ Confirmation.

With reference to the Board Letter, the payment terms of Project Management Services will be based on normal commercial terms and common practice, and are not more favourable than those terms offered by the Group to independent third parties.

Based on the Landsea Group Contracts and the Independent PM Contracts, we noted that the payment terms regarding project management services are based on stage of completion of the relevant projects, and credit periods granted by the Group to Landsea Group were no less favourable to the Group as compared with those granted by the Group to independent third parties.

LETTER FROM GRAM CAPITAL

Proposed annual caps

Set out below are (i) the historical transaction amounts of Project Management Services for the period from 28 December 2020 to 27 December 2023, together with the existing annual caps; and (ii) the proposed annual caps for the period from 28 December 2023 to 27 December 2026:

	For the period from 28 December 2020 to 27 December 2021 (“2021 Period”) <i>RMB million</i>	For the period from 28 December 2021 to 27 December 2022 (“2022 Period”) <i>RMB million</i>	For the period from 28 December 2022 to 27 December 2023 (“2023 Period”) <i>RMB million</i>
Historical transaction amounts	84.9	60.1	3.9 (<i>Note</i>)
Historical/existing annual caps	85	85	85
Utilisation rate (%)	99.88	70.71	N/A
	For the period from 28 December 2023 to 27 December 2024 (“2024 Period”) <i>RMB million</i>	For the period from 28 December 2024 to 27 December 2025 (“2025 Period”) <i>RMB million</i>	For the period from 28 December 2025 to 27 December 2026 (“2026 Period”) <i>RMB million</i>
Proposed annual caps	90	90	90

Note: The figure is for the period from 28 December 2022 to 30 June 2023.

The proposed annual caps were determined based on various factors, details of which are set out in the sub-section headed “Annual caps” under the section headed “2.2 CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF PROJECT MANAGEMENT SERVICES” of the Board Letter.

LETTER FROM GRAM CAPITAL

As illustrated above, utilisation rates of the existing annual caps were approximately 99.88% for 2021 Period and 70.71% for 2022 Period. Furthermore, historical transaction amount of Project Management Services for the period from 28 December 2022 to 30 June 2023 was approximately RMB3.9 million, only accounted for only approximately 4.59% of the existing annual cap for the 2023 Period. With reference to the Board Letter, the historical transaction amount for the period from 1 July 2023 to 27 December 2023 is expected to be approximately RMB36 million.

To assess the fairness and reasonableness of the proposed annual caps, the Directors provided us a list of projects which the Group expects to provide Project Management Services and we noted that (i) the remaining contract value of existing projects were approximately RMB26.4 million in aggregate (the “**Existing PMS Projects Remaining Value**”); and (ii) the estimated contract value of new projects were RMB45 million (the “**New PMS Projects Value**”), the aforesaid in aggregate accounted for approximately 79% of the proposed annual cap for each of 2024 Period, 2025 Period and 2026 Period. As advised by the Directors, the Existing PMS Projects Remaining Value and the New PMS Projects Value (in aggregate, the “**Expected PMS Projects Value**”) may be recognized (corresponding to project progress) during any of 2024 Period, 2025 Period and/or 2026 Period. Accordingly, the proposed annual cap is required to fully cover the Expected PMS Projects Value.

For our due diligence purpose, we obtained supporting documents for two of the existing project management services projects (“**PM Documents**”), being the two largest projects (in terms of contract value) which the Group shall provide the Project Management Services and their remaining contract values accounted for approximately 66% of the Existing PMS Projects Remaining Value.

The Directors advised us that they also considered possibility of additional new project management services projects which the Group may secure from Landsea Group when determining the proposed annual cap for each of 2024 Period, 2025 Period and 2026 Period. Accordingly, in addition to the Expected PMS Projects Value of approximately RMB71.4 million, the proposed annual cap is also required to cover possible transaction arising from additional new project management services projects. We noted from the 2023 Interim Report that during 1H2023, the Group secured a total of 9 project management services projects in the PRC with contract value of approximately RMB258 million. Accordingly, we consider that it is fair and reasonable to set the proposed annual cap as RMB90 million for each of 2024 Period, 2025 Period and 2026 Period.

LETTER FROM GRAM CAPITAL

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2026, and they do not represent forecasts of revenue to be generated from the Project Management Services. Consequently, we express no opinion as to how closely the actual revenue to be generated from the Project Management Services will correspond with the proposed annual caps.

Having considered the principal terms of the Project Management Services above, we are of the view that the terms of the Project Management Services (including the proposed annual caps) are on normal commercial terms and are fair and reasonable.

C. LISTING RULES IMPLICATION

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Transactions must be restricted by the annual caps; (ii) the terms of the Transactions (including the relevant annual caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of the independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material aspects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the annual caps. In the event that the total amount of the Transactions is anticipated to exceed the proposed annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for the continuing connected transactions pursuant to the Listing Rules by the Company, we are of the view that there are adequate measures in place to monitor the Transactions (together with the proposed annual caps) and hence the interest of the Independent Shareholders would be safeguarded.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

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	20,000,000 (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.

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	2,379,428,081	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%

Name of Shareholders	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage in total number of issued Shares
Ping An Property & Casualty 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 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%

Name of Shareholders	Long Position/ Short Position	Capacity	Number of Shares held	Approximate percentage in total number of issued Shares
State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government (Note 5)	Long Position	Interest in controlled corporation	314,507,927	6.66%
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.

3. 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. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the date of this circular, the above-mentioned expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above-mentioned expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above-mentioned expert did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2022, being the date to which the latest audited financial statements of the Group was made up.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had 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 Company were made up.

9. 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 2023 Properties Services and Properties Consulting Agreement;
- (b) the 2023 Project Management Services Agreement; and
- (c) the written consent from Gram Capital Limited referred to in paragraph 7 of this appendix.

10. MISCELLANEOUS

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.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Landsea Green Management Limited (the “**Company**”) will be held at Landsea Green Center, Building 5, Lane 280, Linhong Road, Changning District, Shanghai, China, on Thursday, 21 December 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the 2023 Properties Services and Properties Consulting Agreement (as defined in the circular of the Company dated 1 December 2023 (the “**Circular**”)) and the transactions and proposed annual caps contemplated thereunder be and are hereby confirmed and approved; and the directors of the Company (the “**Directors**”) be and are hereby authorised to execute such documents and take such action as they deem appropriate to implement and give effect to the 2023 Properties Services and Properties Consulting Agreement.”
2. “**THAT** the 2023 Project Management Services Agreement (as defined in the Circular) and the transactions and proposed annual caps contemplated thereunder be and are hereby confirmed and approved; and the Directors be and are hereby authorised to execute such documents and take such action as they deem appropriate to implement and give effect to the 2023 Project Management Services Agreement.”

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

Hong Kong, 1 December 2023

Notes:

1. For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 18 December 2023 to Thursday, 21 December 2023, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 December 2023.

NOTICE OF SPECIAL GENERAL MEETING

2. Any member of the Company entitled to attend and vote at the meeting convened by this notice shall be entitled to appoint one or more proxies to attend and vote in his stead in accordance with the Bye-Laws of the Company. A proxy need not be a member of the Company but must be present in person to represent the member.
3. A form of proxy for use at the meeting is enclosed.
4. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof should they so wish.
5. In case the venue is being closed on the date of meeting due to bad weather, the meeting shall stand adjourned and at such time and place as shall be decided by the Board. The Company will post an announcement on the Stock Exchange and the Company's website notifying Shareholders of the date, time and place of the adjourned meeting.
6. As at the date of this notice, 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.