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LANDSEA GREEN PROPERTIES CO., LTD.

朗詩綠色地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 106)

**(1) MAJOR TRANSACTION IN RELATION TO THE MERGER
AND
(2) PROPOSED SPIN-OFF AND SEPARATE LISTING OF
LANDSEA HOMES INCORPORATED**

MERGER AND PROPOSED SPIN-OFF

On 31 August 2020 (US time), Landsea Homes and LHC entered into the conditional Merger Agreement with LF Capital and Merger Sub in relation to the Merger.

The transactions contemplated under the Merger Agreement involve the merger of Merger Sub with and into Landsea Homes with Landsea Homes surviving the Merger. Following the Merger, Landsea Homes will become a wholly-owned subsidiary of LF Capital, a special purpose acquisition company, the LF Common Stock, public warrants and units of which are listed on Nasdaq.

Immediately upon Completion,

- (i) LF Capital will own 100% of the equity interests in Landsea Homes and will own all of Landsea Homes' operating assets and intangible assets (including intellectual property rights) required for the operation of the US Property Development Business;

(ii) the Company will, through its wholly-owned subsidiary, LHC, receive the Merger Consideration, in the form of LF Common Stock, representing:

- a. approximately 67.4% of the enlarged equity interest in LF Capital upon Completion (assuming (i) there is no adjustment to the Merger Consideration; (ii) all outstanding Warrants have not been exercised and the terms of the Warrant Amendment having been approved pursuant to the Warrant Holder Approval; (iii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor's Forfeiture and the Sponsor's Transfer, having been effectuated; (iv) there is no other change in the number of outstanding shares of LF Common Stock from the date of this announcement to the date of Completion; (v) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC, and such shares are forfeited; (vi) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction; (vii) no holder of LF Common Stock redeems their shares of LF Common Stock; and (viii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital); and
- b. approximately 50.2% of the enlarged equity interest in LF Capital upon Completion on a fully-diluted basis (assuming (i) all outstanding Warrants have been exercised; (ii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor's Forfeiture and the Sponsor's Transfer, having been effectuated; (iii) the terms of the Warrant Amendment have not been approved pursuant to the Warrant Holder Approval; (iv) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC, and such shares are forfeited; (v) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction; (vi) no holder of LF Common Stock redeems their shares of LF Common Stock; and (vii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital); and

(iii) upon Completion, Landsea Homes will become an indirect non-wholly owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

The Merger constitutes a spin-off of the Company which is subject to the applicable requirements in PN15. The Company has submitted a proposal in relation to the Proposed Spin-off to the Stock Exchange for approval pursuant to PN15. As at the date of this announcement, the Stock Exchange is in the process of reviewing the application made by the Company, and accordingly the Proposed Spin-off is subject to approval of the Stock Exchange.

As one or more applicable percentage ratios under the Listing Rules in respect of the Merger and the Proposed Spin-off exceed 25% and all applicable percentage ratios under the Listing Rules in respect of the Merger and the Proposed Spin-off are below 75% (in the case for the disposal of equity interests in Landsea Homes) or 100% (in the case for the acquisition of equity interests in LF Capital), the Merger and the Proposed Spin-off constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Merger and the Proposed Spin-off are subject to, among other things, the approval of the Shareholders under paragraph 3(e)(1) of PN15 and Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Merger and the Proposed Spin-off. As such, no Shareholder (save that the controlling Shareholders are required to abstain from voting on the resolution to waive the assured entitlement) is required to abstain from voting if a general meeting were convened to approve the Merger and the Proposed Spin-off. As at the date of the Merger Agreement, each of Mr. Tian Ming, Greensheid, Landsea International and Easycorps held 8,901,500 Shares, 1,997,961,187 Shares, 367,914,894 Shares and 361,493,785 Shares respectively, together representing approximately 57.95% of the Company giving the right to attend and vote at general meetings of the Company, for the Merger and the Proposed Spin-off in accordance with Rule 14.44 of the Listing Rules. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Mr. Tian Ming, Greensheid, Landsea International and Easycorps will be accepted in lieu of holding a general meeting of the Company.

SGM

Having considered the reasons as stated under the paragraph headed "Assured Entitlement" below, the Board does not believe that the requirement to provide assured entitlement is practicable in the circumstances nor in the interest of the Shareholders as a whole. Accordingly, the Company will convene the SGM to seek Independent Shareholders' approval for the waiver of the assured entitlement requirement under PN15 in respect of the Proposed Spin-off. Each of Mr. Tian Ming, Greensheid, Landsea International and Easycorps, together being the controlling Shareholders holding approximately 57.95% of the issued share capital of the Company, will abstain from voting in relation to the resolution approving the waiver of the assured entitlement requirement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng to advise the Independent Shareholders on the Merger, the Proposed Spin-off and the transactions contemplated thereunder. None of the members of the Independent Board Committee has any interest or involvement in the Merger, the Proposed Spin-off and the transactions contemplated thereunder.

Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Merger, the Proposed Spin-off and the transactions contemplated thereunder. The Independent Board Committee will form its view in respect of the Merger, the Proposed Spin-off and the transactions contemplated thereunder after obtaining and considering the advice from the Independent Financial Adviser.

GENERAL

A circular containing, among other things, (i) further details of the Merger and the Proposed Spin-off; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders on the Merger, the Proposed Spin-off and the transactions contemplated thereunder; (iii) a letter of advice from Trinity Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders in relation to the Merger, the Proposed Spin-off and the transactions contemplated thereunder; and (iv) a notice of the SGM and a form of proxy, is expected to be dispatched to the Shareholders on or before 21 September 2020 as the Company needs more time to prepare and finalize information to be included in the circular.

Shareholders and potential investors in the Company should note that the consummation of the Merger is subject to the fulfilment of certain conditions and that the Merger Agreement may be terminated in certain circumstances. Accordingly, there is no assurance that the Merger will be completed. Shareholders and potential investors in the Company should exercise caution when dealing in the Shares.

INTRODUCTION

On 31 August 2020 (US time), Landsea Homes and LHC entered into the conditional Merger Agreement with LF Capital and Merger Sub in relation to the Merger.

The transactions contemplated under the Merger Agreement involve the merger of Merger Sub with and into Landsea Homes with Landsea Homes surviving the Merger. Following the Merger, Landsea Homes will become a wholly-owned subsidiary of LF Capital, a special purpose acquisition company, the LF Common Stock, public warrants and units of which are listed on Nasdaq.

MERGER AND PROPOSED SPIN-OFF

Merger Agreement

The principal terms of the Merger Agreement are summarized as follows:

Date: 31 August 2020 (US time)

Parties: (1) Landsea Homes
(2) LHC

(3) LF Capital

(4) Merger Sub

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, LF Capital and Merger Sub and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Each of Landsea Homes and LHC is an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

Subject matter:

Merger

On the terms and subject to the conditions of the Merger Agreement, Landsea Homes and Merger Sub shall cause the Merger to be consummated by filing a certificate of merger with the Secretary of State of the State of Delaware, in accordance with the applicable provisions of the General Corporation Law of the State of Delaware (the time of such filing, or such later time as may be agreed in writing by Landsea Homes and LF Capital and specified in the certificate merger, being the "**Merger Effective Time**").

At the Merger Effective Time, Merger Sub shall be merged with and into Landsea Homes, following which the separate corporate existence of Merger Sub shall cease and Landsea Homes shall continue as the surviving corporation after the Merger and as a direct, wholly-owned subsidiary of LF Capital. Upon consummation of the Merger, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Merger Sub and Landsea Homes shall become the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of the surviving corporation, which shall include the assumption by the surviving corporation of any and all agreements, covenants, duties and obligations of Merger Sub and Landsea Homes set forth in the Merger Agreement to be performed after the Merger Effective Time.

At the Merger Effective Time, the certificate of incorporation and bylaws of the surviving corporation shall be amended to read the same as the certificate of incorporation and bylaws of Landsea Homes as in effect immediately prior to the Merger Effective Time, except that the name of the surviving corporation shall be "Landsea Homes US Corporation". Further, the directors and officers of Landsea Homes shall become the directors and officers of the surviving corporation.

Immediately upon Completion,

- (i) LF Capital will own 100% of the equity interests in Landsea Homes and will own all of Landsea Homes' operating assets and intangible assets (including intellectual property rights) required for the operation of the US Property Development Business;
- (ii) the Company will, through its wholly-owned subsidiary, LHC, receive the Merger Consideration, in the form of LF Common Stock, representing:
 - a. approximately 67.4% of the enlarged equity interest in LF Capital upon Completion (assuming (i) there is no adjustment to the Merger Consideration; (ii) all outstanding Warrants have not been exercised and the terms of the Warrant Amendment having been approved pursuant to the Warrant Holder Approval; (iii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor's Forfeiture and the Sponsor's Transfer, having been effectuated; (iv) there is no other change in the number of outstanding shares of LF Common Stock from the date of this announcement to the date of Completion; (v) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC and such shares are forfeited; (vi) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction; (vii) no holder of LF Common Stock redeems their shares of LF Common Stock; and (viii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital); and

- b. approximately 50.2% of the enlarged equity interest in LF Capital upon Completion on a fully-diluted basis (assuming (i) all outstanding Warrants have been exercised; (ii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor's Forfeiture and the Sponsor's Transfer, having been effectuated; (iii) the terms of the Warrant Amendment have not been approved pursuant to the Warrant Holder Approval; (iv) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC and such shares are forfeited; (v) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction); (vi) no holder of LF Common Stock redeems their shares of LF Common Stock; and (vii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital); and

(iii) Landsea Homes will be an indirect non-wholly owned subsidiary of the Company.

**Consideration for
the Merger:**

In consideration for the Merger, each share of Landsea Homes Common Stock (other than the Landsea Homes Common Stock held in the treasury of Landsea Homes or owned by LF Capital, Merger Sub or Landsea Homes immediately prior to the Merger Effective Time) issued and outstanding immediately prior to the Merger Effective Time will be cancelled and automatically deemed for all purposes to represent the right to receive the Merger Consideration, being an aggregate of 32,557,303 shares of LF Common Stock.

The Merger Consideration is US\$343,805,119.68 (equivalent to approximately HK\$2,681,679,933), which shall be payable in the form of shares of LF Common Stock.

The number of shares of LF Common Stock to be issued to LHC shall be US\$343,805,119.68 (equivalent to approximately HK\$2,681,679,933) divided by US\$10.56. The number of shares of LF Common Stock that LHC will receive as a result of the Merger shall be adjusted to reflect appropriately the effect of any stock split, split-up, reverse stock split, stock dividend or distribution (including any dividend or distribution of securities convertible into LF Common Stock), extraordinary cash dividend, reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with respect to LF Common Stock prior to Completion.

The Merger Consideration was determined following arm's length negotiation among the parties to the Merger Agreement taking into consideration, among other things, the fair value of Landsea Homes as of 30 June 2020. The fair value of Landsea Homes as of 30 June 2020 was derived based on an estimated tangible book value of Landsea Homes as of 30 June 2020 and taking into account of a market analysis of public homebuilder comparable companies and minus the cash in trust held by LF Capital.

Outstanding stock options of Landsea Homes:

As at the date of the Merger Agreement, there are no securities or ownership interests that are reserved for issuance upon the exercise of outstanding options, warrants or other rights to purchase any share of Landsea Homes Common Stock.

Conditions precedent to the Merger Agreement:

Conditions precedent to the Merger Agreement

The obligations of each party to the Merger Agreement to effect the Merger and the transactions as contemplated thereunder shall be subject to the satisfaction (or written waiver, in whole or in part, to the extent such conditions can be waived under the Merger Agreement and applicable law) at or prior to the Completion of the following conditions:

- (a) at the stockholders meeting of LF Capital (including any adjournments thereof), any necessary matters, including (i) the adoption of the Merger Agreement and approval of the transactions contemplated thereunder; (ii) the issuance of the LF Common Stock for the Merger Consideration in accordance with the Merger Agreement; and (iii) the amendment and restatement of the organizational documents of LF Capital in agreed form, shall have been duly adopted by the stockholders of LF Capital in accordance with the General Corporation Law of the State of Delaware, the certificate of incorporation and the bylaws of LF Capital and the Nasdaq rules and regulations;
- (b) LF Capital shall have at least US\$5,000,001 of net tangible assets following the exercise by the holders of Class A stock of LF Capital issued in the initial public offering of securities of LF Capital and outstanding immediately before the Completion of their right to redeem their Class A stock of LF Capital in accordance with the certificate of incorporation and the bylaws of LF Capital;

- (c) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 will have expired or otherwise been terminated, and the parties to the Merger Agreement will have received or have been deemed to have received all other mandatory pre-closing authorizations, consents, clearances, waivers and approvals of all governmental entities required in connection with the execution, delivery and performance of the Merger Agreement and the transactions contemplated thereunder;
- (d) no provision of any applicable Law prohibiting, enjoining, restricting or making illegal the consummation of the transactions contemplated under the Merger Agreement shall be in effect and no temporary, preliminary or permanent restraining order enjoining, restricting or making illegal the consummation of the transactions contemplated under the Merger Agreement will be in effect or shall be threatened in writing by a governmental entity;
- (e) the shares of LF Common Stock to be issued in connection with the Merger shall be approved for listing upon the Completion on Nasdaq; and
- (f) the Company having obtained the approval of the Stock Exchange in connection with the Merger and transactions contemplated thereunder in accordance with the applicable requirements of the Listing Rules and such approval has not been revoked at or prior to the Completion.

Additional conditions to Obligations of LHC and Landsea Homes

The obligations of LHC and Landsea Homes to consummate and effect the Merger and the transactions contemplated under the Merger Agreement shall be subject to the satisfaction at or prior to the Completion of each of the following conditions, any of which may be waived, in writing, exclusively by LHC and Landsea Homes:

- (a) the fundamental representations of LF Capital under the Merger Agreement shall be true and correct in all material respects on and as of the date of the Merger Agreement and on and as of the date of Completion as though made on and as of date of Completion (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of such representations and warranties of LF Capital to be so true and correct, individually or in the aggregate, has not had and is not reasonably likely to have a material adverse effect on LF Capital and Merger Sub;
- (b) LF Capital and Merger Sub shall have performed or complied with all agreements and covenants required by the Merger Agreement to be performed or complied with by them on or prior to the date of Completion, in each case in all material respects;
- (c) LF Capital shall have delivered to Landsea Homes a certificate certifying as to the matters set forth (a) and (b) above;
- (d) no material adverse effect on LF Capital and Merger Sub shall have occurred since the date of the Merger Agreement;
- (e) certain persons as listed therein the Merger Agreement shall have resigned from all of their positions and offices with LF Capital and Merger Sub;
- (f) LF Capital and Merger Sub shall have delivered or shall stand ready to deliver duly executed and filed certificates, instruments, contracts and other documents specified to be delivered by it pursuant to the Merger Agreement;
- (g) the charter of LF Capital shall be amended and restated in an agreed form and shall be executed and filed with the Secretary of State of the State of Delaware, and the bylaws of LF Capital shall be amended and restated in an agreed form;

- (h) after deducting the aggregate amount of cash proceeds that will be required to satisfy any exercise by the stockholders of LF Capital to redeem shares of Class A Stock of LF Capital from the trust account of LF Capital, the aggregate amount of any transaction costs of LF Capital and Landsea Homes in relation to the Merger, such remaining amount shall be equal to or exceed US\$90,000,000;
- (i) LF Capital shall have made appropriate arrangements to have its trust account, less amounts paid and to be paid pursuant to the Merger Agreement, available to LF Capital for payment of the transaction costs of LF Capital and Landsea Homes in relation to the Merger at Completion; and
- (j) the Surrendered Shares and Surrendered Warrants shall have been cancelled by LF Capital.

Additional conditions to Obligations of LF Capital and Merger Sub

The obligations of LF Capital and Merger Sub to consummate and effect the Merger and the transactions as contemplated under the Merger Agreement shall be subject to the satisfaction at or prior to the Completion of each of the following conditions, any of which may be waived, in writing, exclusively by LF Capital:

- (a) the fundamental representations of Landsea Homes under the Merger Agreement shall be true and correct in all material respects on and as of the date of the Merger Agreement and on as of the date of Completion as though made on and as of the date of Completion (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date), except where the failure of such representations and warranties of Landsea Homes to be so true and correct, individually or in the aggregate, has not had and is not reasonably likely to have a material adverse effect to Landsea Homes and its subsidiaries;
- (b) Landsea Homes shall have performed or complied with all agreements and covenants required by the Merger Agreement to be performed or complied with by it at or prior to the date of Completion;
- (c) Landsea Homes shall have delivered to LF Capital a certificate certifying as to the matters set forth in (a) and (b) above;
- (d) no material adverse effect to Landsea Homes Group shall have occurred since the date of the Merger Agreement; and

(e) Landsea Homes or LHC shall have delivered, or caused to be delivered, or shall stand ready to deliver duly executed and filed certificates, instruments, contracts and other documents specified to be delivered by it pursuant to the Merger Agreement.

Lock-up:

Each of Sponsor and LHC shall enter into the agreed form of a lock-up agreement (the “**Lock-up Agreement**”) pursuant to which each of Sponsor and LHC shall (subject to certain permitted transfers) agree not to transfer LF Common Stock to be received under the Merger Agreement until the earlier of, among other things, (i) end of a one-year period from the Completion; and (ii) end of any 30-trading day period during which the share price of LF Common Stock exceeds US\$12.00 for 20 trading days, the first day of which commences after 150 days from the Completion.

Others:

The Founders have agreed to waive, as applicable, certain anti-dilution, conversion, and/or redemption rights in connection with the Merger and the transactions contemplated by the Merger Agreement.

Voting undertaking:

Certain Founders and subscribers under the Forward Purchase Transaction have undertaken that each of them will vote in favour of any other proposals that the parties deem necessary or desirable to consummate the transactions under the Merger Agreement.

Termination:

The Merger Agreement may be terminated at any time prior to Completion:

- (a) by mutual written agreement LF Capital and LHC;
- (b) by either LF Capital or LHC if the transactions contemplated under the Merger Agreement shall not have been consummated by 22 September 2020 (as such date may be extended if LF Capital receives the approval of its stockholders to extend the date by which LF Capital must complete its initial business combination to the earlier of 22 December 2020 or such date LF Capital completes its initial business combination);
- (c) by either LF Capital or LHC if a governmental entity shall have issued an order or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated under the Merger Agreement, including the Merger, which order or other action is final and non-appealable;

- (d) by LHC, upon a breach of any representation, warranty, covenant or agreement set forth in the Merger Agreement on the part of LF Capital or Merger Sub, or if any representation or warranty of LF Capital or Merger Sub shall have become untrue in a manner that would cause the failure of a condition to closing under the Merger Agreement and such breach is not cured within 30 days;
- (e) by LF Capital, upon a breach of any representation, warranty, covenant or agreement set forth in the Merger Agreement on the part of Landsea Homes or LHC or if any representation or warranty of Landsea Homes shall have become untrue in a manner that would cause the failure of a condition to closing under the Merger Agreement and such breach is not cured within 30 days;
- (f) by either LF Capital or LHC, if, at the stockholders meeting of LF Capital (including any adjournments thereof), any other proposals that the parties deem necessary or desirable to consummate the transactions under the Merger Agreement are not duly adopted by the stockholders of LF Capital; or
- (g) by LF Capital, if evidence that the stockholder approval of Landsea Homes was obtained shall not have been delivered to LF Capital within 24 hours following the execution and delivery of the Merger Agreement.

Stockholders' agreement

In connection with the Merger, it is expected that LF Capital and LHC will enter into a stockholders' agreement to provide for the rights and obligations of LHC as a shareholder of LF Capital upon Completion with respect to, among other things, management and operations of LF Capital.

Pursuant to the stockholders' agreement, whereby, among other things, the parties thereto will agree:

- (i) to provide LHC certain board composition and nomination requirements, including rights to nominate directors in accordance with defined ownership thresholds, establish certain board committees and their respective duties and allow for the compensation of directors;
- (ii) to provide LHC with inspection and visitation rights, access to LF Capital's management, auditors and financial information;
- (iii) not to, to the extent permitted by applicable law, share confidential information related to LF Capital;
- (iv) waive their right to jury trial and choose Delaware as the choice of law; and

- (v) vote LHC's holdings of LF Common Stock in furtherance of the aforementioned rights, in each case on terms and subject to the conditions set forth therein.

In addition, LHC will also agree not compete with LF Capital in the "domestic homebuilding business", defined as a business (i) engaged in constructing single and/or multi-family residential properties that operates in the US; or (ii) with a business unit dedicated to constructing single and/or multi-family residential properties in the US, but excluding such business and activities located in New York, New York, so long as it controls more than 10% of LF Capital's voting stock or has a representative serving on the board of directors of LF Capital.

GENERAL INFORMATION

Information of the Company

The Company is an investment holding company with its subsidiaries principally in the businesses of property development and sales in the PRC, management services and office property investment. Since 2004, the Group has been implementing a strategy of focusing on green product differentiation development, and its business has comprehensively covered major economic regions in the PRC as well as the main first-line gateway areas in the US.

Information on LF Capital and Merger Sub

LF Capital is a blank check company formed under the laws of the State of Delaware of the US on 29 June 2017, whose units of have been listed on Nasdaq since 20 June 2018 with ticker symbol "LFACU" and whose LF Common Stock and public warrants began separately trading on 29 June 2018 under ticker symbols "LFAC" and "LFACW", respectively. It was formed for the sole purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. Prior to its initial public offering, LF Capital's efforts were limited to organizational activities as well as activities related to the offering. As at the date of this announcement, LF Capital is an investment holding company and has no business operations. Upon Completion, LF Capital will serve as the publicly traded entity owning Landsea Homes, which will continue to operate US Property Development Business.

Set out below are the net profit (both before and after taxation) of LF Capital based on the audited consolidated accounts of LF Capital for the two financial years ended 31 December 2018 and 2019 as well as the unaudited financial statements for the six months ended 30 June 2020 prepared based on the United States Generally Accepted Accounting Principles:

	For the year ended 31 December 2018 US\$ (audited)	For the year ended 31 December 2019 US\$ (audited)	For the six months ended 30 June 2020 US\$ (unaudited)
(Loss)/Income before income tax expenses	904,033 (equivalent to approximately HK\$7,051,457)	2,447,690 (equivalent to approximately HK\$19,091,982)	(60,653) (equivalent to approximately HK\$(473,093))
(Loss)/Income after income tax expense	592,850 (equivalent to approximately HK\$4,624,230)	1,771,836 (equivalent to approximately HK\$13,820,321)	(199,929) (equivalent to approximately HK\$(1,559,446))

As at 30 June 2020, the unaudited total assets and the unaudited net assets of LF Capital amounted to approximately US\$141,456,123 (equivalent to approximately HK\$1,103,357,759) and US\$133,912,442 (equivalent to approximately HK\$1,044,517,048).

As at the date of this announcement, LF Capital has securities outstanding as follows:

- (a) an authorized preferred shares of 1,000,000 with par value US\$0.0001 per preferred share, among which, no shares are issued and outstanding;
- (b) Class A common shares with par value US\$0.0001 per share, among which, 100,000,000 are authorized and 13,435,061 are issued and outstanding;
- (c) Class B common shares with par value US\$0.0001 per share, among which, 15,000,000 are authorized and 3,881,250 are issued and outstanding, provided that the Sponsor has agreed to forfeit 600,000 shares of LF Capital's Class B common Stock and transfer 500,000 shares of LF Common Stock to LHC at Completion;
- (d) 7,760,000 private placement warrants (the "**Private Placement Warrants**") which are outstanding and held by the Founder, among which, the Sponsor has agreed to surrender and transfer the Surrendered Warrants, being 2,260,000 of the Private Placement Warrants, to LF Capital for forfeiture and cancellation, and to transfer 2,200,000 of the Private Placement Warrants to LHC at Completion; and
- (e) 15,525,000 public warrants (the "**Public Warrants**", and together with the Private Placement Warrants, the "**Warrants**") which are outstanding.

The shareholding structure of LF Capital as at 13 August 2020 (being the latest public disclosure of LF Capital immediately prior to this announcement) and immediately upon Completion (assuming that there is no other change in the number of issued shares of LF Capital from the date of this announcement to the date of Completion and assuming all Class B common shares of LF Capital are converted into shares of LF Common Stock) is as follows:

Stockholder	As at 13 August 2020		Scenario 1: Immediately upon Completion ^(Note 1)		Scenario 2: Immediately upon Completion ^(Note 2)	
	Number of LF Common Stock	Ownership percentage	Number of LF Common Stock	Ownership percentage	Number of LF Common Stock	Ownership percentage
LHC	—	—	32,557,303	67.4%	34,757,303	50.2%
Founders ^(Note 3)	4,793,250	27.9%	2,281,250	4.7%	5,581,250	8.1%
Public stockholders	<u>12,523,061</u>	<u>72.1%</u>	<u>13,435,061</u>	<u>27.8%</u>	<u>28,960,061</u>	<u>41.8%</u>
Total	<u><u>17,316,311</u></u>	<u><u>100%</u></u>	<u><u>48,273,614</u></u>	<u><u>100%</u></u>	<u><u>69,298,614</u></u>	<u><u>100%</u></u>

Notes:

- (1) On the assumption that (i) there is no adjustment to the Merger Consideration; (ii) all outstanding Warrants have not been exercised and the terms of LF Capital’s public Warrants have been amended to reduce the conversion ratio to one-tenth of a share of LF Common Stock pursuant to the Warrant Holder Approval; (iii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor’s Forfeiture and the Sponsor’s Transfer, having been effectuated; (iv) there is no other change in the number of outstanding shares of LF Common Stock from the date of this announcement to the date of Completion; (v) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC, and such shares are forfeited; (vi) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction; (vii) no holder of LF Common Stock redeems their shares of LF Common Stock; and (viii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital.
- (2) This shows ownership on a fully diluted basis, on the assumption that (i) all outstanding Warrants have been exercised; (ii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor’s Forfeiture and the Sponsor’s Transfer, having been effectuated; (iii) the terms of the Warrant Amendment have not been approved pursuant to the Warrant Holder Approval; (iv) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC, and such shares are forfeited; (v) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction; (vi) no holder of LF Common Stock redeems their shares of LF Common Stock; and (vii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital.
- (3) For the purpose of the Merger and contingent upon Completion, the Sponsor has agreed to:
 - (a) forfeit 600,000 shares of Class B Common Stock of LF Capital and 2,260,000 Private Placement Warrants of LF Capital immediately prior to Completion; and forfeit up to 500,000 additional shares of LF Common Stock post-Completion (contingent upon the valuation of the LF Common Stock reaching certain thresholds during the twenty-four month period following the Completion) (the “**Sponsor’s Forfeiture**”); and

- (b) transfer 2,200,000 Private Placement Warrants of LF Capital to LHC immediately prior to Completion; and transfer 500,000 additional shares of LF Common Stock post-completion to LHC (contingent upon the valuation of the LF Common Stock reaching certain thresholds during the twenty-four month period following the Completion) (the “**Sponsor’s Transfer**”).
- (4) The aggregate of the percentage figures stated above do not add up to 100 per cent. due to rounding issue of the decimal places.

Merger Sub is a company formed under the laws of the State of Delaware of the US and is a wholly-owned subsidiary of LF Capital as at the date of this announcement. As at the date of this announcement, Merger Sub does not have any business operations.

Information on Landsea Homes

Landsea Homes is a corporation incorporated in the State of Delaware of the US, a wholly-owned subsidiary of the Company as at the date of this announcement, and principally engaged in the US Property Development Business.

Set out below is the unaudited financial information of Landsea Homes (excluding the Urban Development Project) for the two financial years ended 31 December 2018 and 2019 as well as for the six months ended 30 June 2020 prepared based on the United States Generally Accepted Accounting Principles:

	For the year ended 31 December 2018 US\$ (unaudited)	For the year ended 31 December 2019 US\$ (unaudited)	For the six months ended 30 June 2020 US\$ (unaudited)
Net profit/(loss) before taxation	42,415,000 (equivalent to approximately HK\$330,837,000)	29,498,000 (equivalent to approximately HK\$230,084,400)	(29,984,000) (equivalent to approximately HK\$(233,875,200))
Net profit/(loss) after taxation	37,652,000 (equivalent to approximately HK\$293,685,600)	23,089,000 (equivalent to approximately HK\$180,094,200)	(22,421,000) (equivalent to approximately HK\$(174,883,800))

The unaudited net asset value of Landsea Homes (excluding the Urban Development Project) was approximately US\$504,928,000 (equivalent to approximately HK\$3,938,438,400) as at 30 June 2020.

Information on LHC

LHC is a corporation incorporated in the State of Delaware of the US and is an indirect wholly-owned subsidiary of the Company, and is principally engaged in real estate development in the US.

REASONS FOR AND BENEFITS OF THE MERGER AND PROPOSED SPIN-OFF AND USE OF PROCEEDS

The Company consider that the Merger and Proposed Spin-off come with the following benefits:

- (a) it will allow the Group to unlock the fair value of its investment in the US Property Development Business on a stand-alone basis via the valuation of the Company's shareholding in LF Capital;
- (b) it will enable the Group to have a separate fund-raising platform and an enlarged shareholder base for the US Property Development Business under LF Capital, thereby enhancing the fund raising capability of the US Property Development Business;
- (c) it will provide investors, financial institutions and rating agencies with greater clarity on the operations and financial condition of the Landsea Homes Group and the Remaining Group on a stand-alone basis, which would help investors form their investment decisions with a better understanding of the operating results, financial condition, management, strategies, risks and returns of the Landsea Homes Group and the Remaining Group, respectively;
- (d) it will allow the Remaining Group to focus on the Remaining Business;
- (e) it will enable the Landsea Homes Group and the Remaining Group to build their separate corporate profiles, thereby increasing their ability to attract investors and cooperative partners for the further development of their respective businesses; and
- (f) Nasdaq is a known and reputable stock exchange. The merger of the US Property Development Business under a Nasdaq listed company will strengthen the reputation of Landsea Homes in the US which would in turn support its future business growth and fundraising capability within the US. This will also benefit the Company as a holding company of the Landsea Homes Group immediately after the Proposed Spin-off.

Having considered the above, the Directors (excluding the independent non-executive Directors who will form their view after obtaining and considering the advice from the Independent Financial Adviser) are of the view that the terms of the Merger Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

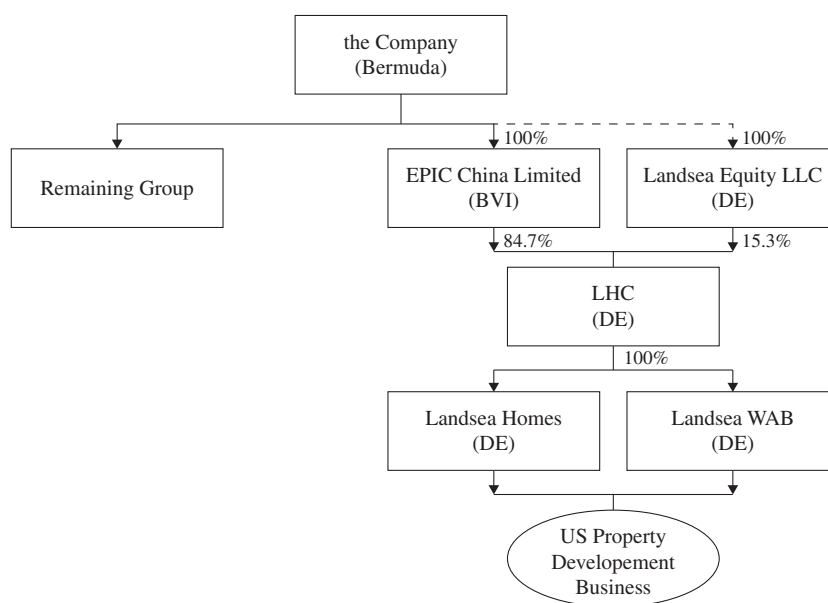
FINANCIAL IMPACT OF THE MERGER AND PROPOSED SPIN-OFF

As at the date of the announcement, Landsea Homes is a wholly-owned subsidiary of the Company. Immediately after Completion, (i) the Company, through LHC, will be interested in approximately 50.2% of the issued share capital of LF Capital on a fully diluted basis fully diluted basis (assuming that (i) all outstanding Warrants have been exercised (ii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor's Forfeiture and the Sponsor's Transfer, having been effectuated (iii) the terms of the Warrant Amendment have not been approved pursuant to the Warrant Holder Approval; (iv) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC, and such shares are forfeited; (v) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction); (vi) no holder of LF Common Stock redeems their shares of LF Common Stock; and (vii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital); and (ii) Landsea Homes will be wholly-owned by LF Capital. Accordingly, Landsea Homes will cease to be a wholly-owned subsidiary of the Company and become a non-wholly owned subsidiary of the Company upon Completion.

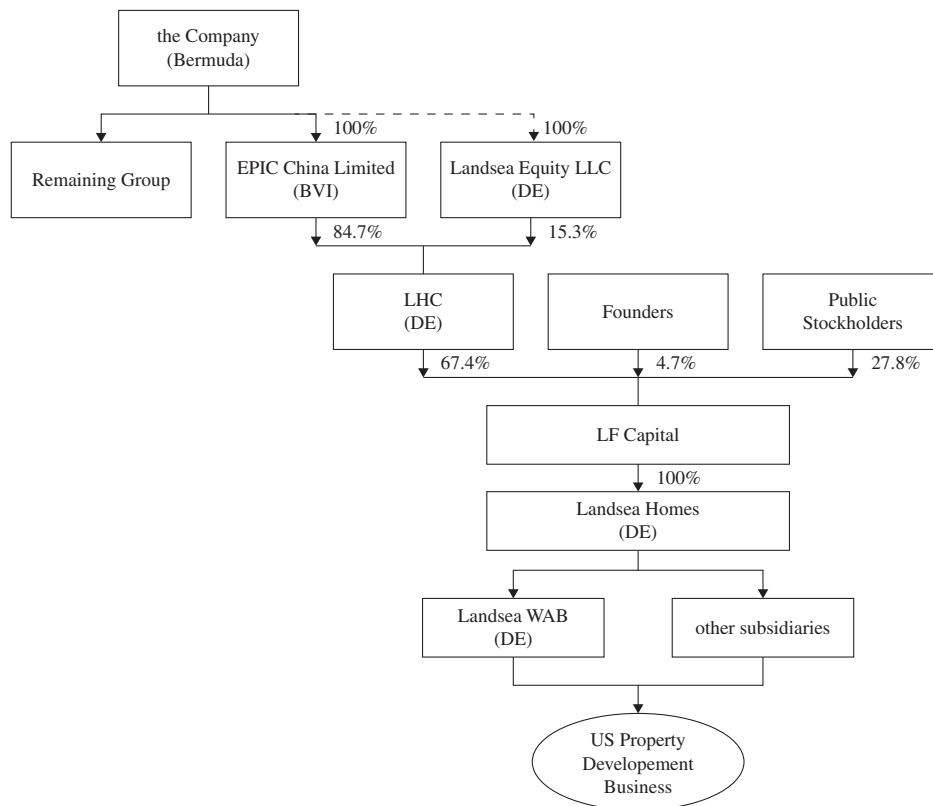
The Merger and Proposed Spin-off does not constitute a business combination under HKFRS 3 Business Combinations and will be accounted for in the Group's consolidated financial statements as a continuation of the financial statements of Landsea Homes, together with a deemed issue of shares by Landsea Homes. This deemed issue of shares by Landsea Homes will be accounted for as an equity-settled share-based payment transaction whereby Landsea Homes will be receiving the net assets of LF Capital, generally cash, together with the listing status of LF Capital. As the listing status does not qualify for recognition as an asset, the difference between the fair value of the shares that are deemed to have been issued by Landsea Homes and the fair value of the net assets of LF Capital as at the completion date of the Merger and Proposed Spin-off will be expensed in profit or loss.

CORPORATE STRUCTURE OF THE GROUP

The following diagram is a simplified illustration of the corporate structure of the Group and the US Property Development Businesses as at the date of the announcement:



The following diagram is a simplified illustration of the corporate structure of the Group and the US Property Development Businesses immediately upon completion of the Merger (assuming (i) there is no adjustment to the Merger Consideration; (ii) all outstanding Warrants have not been exercised and the terms of the Warrant Amendment having been approved to the Warrant Holder Approval; (iii) the transactions contemplated by the Merger Agreement and ancillary agreements thereto, including the Sponsor’s Forfeiture and the Sponsor’s Transfer, having been effectuated; (iv) there is no other change in the number of outstanding shares of LF Common Stock from the date of this announcement to the date of Completion; (v) certain earn-out thresholds are not met for 1,000,000 shares of deferred LF Common Stock, 500,000 shares of which will be held by each of Sponsor and LHC, and such shares are forfeited; (vi) no shares of LF Common Stock are issued as incentive fees under the Forward Purchase Transaction); (vii) no holder of LF Common Stock redeems their shares of LF Common Stock; and (viii) the Sponsor having waived their right to convert the related party loan due from LF Capital to the Sponsor into warrants of LF Capital):



ASSURED ENTITLEMENT

Under Paragraph 3(f) of PN15, a listed issuer is required to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spin-off entity, either by way of a distribution in specie of existing shares in the spin-off entity or by way of preferred application in any offering of existing or new shares in the spin-off entity.

As aforesaid, LF Capital is a company whose LF Common Stock, public warrants and units are listed on Nasdaq with ticker symbols “LFAC”, “LFACW” and “LFACU”, respectively. The Proposed Spin-off does not involve a new listing application of LF Capital and there will not be any public offering of new LF Common Stock. If LF Capital were to facilitate preferred application for new LF Common Stock by the shareholders of the Company, it would necessitate a substantial change to the US securities law compliance regime contemplated by the parties. If LF Capital was required to extend the offering to the shareholders of the Company, this will be deemed to be a public offering under US laws given the potentially large number of offerees and be subject to additional regulatory registration requirements which would not otherwise be relevant to the Merger. Accordingly, such sale of LF Common Stock would be subject to regulatory registration requirements with the United States Securities and Exchange Commission which could further delay the Proposed Spin-off as well as result in the addition of significant costs taking into account the compliance with US securities laws and jurisdictional compliance requirements in other countries where some shareholders of the Company are from in connection with such offer.

Further, given LF Capital will not have scrip shares and the shares issued to any investor will be by way of a book entry system in the US, shareholders of the Company would have to coordinate with US securities firms which either have an account directly with the book entry settlement system or have an arrangement in place with a firm that has an account with such settlement system. To coordinate shareholders to establish such accounts in order to participate in any such offering or distribution in specie of LF Common Stock and taking into account possible jurisdictional compliance requirements in other countries where some shareholders of the Company are from in connection with such distribution in specie, the process to verify the identities and shareholdings of such large number of shareholders would as a whole be unduly burdensome to the Company.

Having considered the above, the Board does not believe that the requirement to provide assured entitlement is practicable in the circumstances nor in the interest of the Shareholders as a whole. To do so would incur significant delay to the proposed timetable and substantial costs to be incurred in order to process such arrangements. This would result in the loss of an opportunity to secure what the Company believes to be a transaction which would be in the best interest of the Company and the Shareholders as a whole.

Accordingly, the Company proposes to put forth a resolution to Shareholders at the SGM to waive the assured entitlement under the Proposed Spin-off and the controlling Shareholders will abstain from voting on such resolution.

LISTING RULES IMPLICATIONS

The Merger constitutes a spin-off of the Company which is subject to the applicable requirements in PN15. The Company has submitted a proposal in relation to the Proposed Spin-off to the Stock Exchange for approval pursuant to PN15. As at the date of this announcement, the Stock Exchange is in the process of reviewing the application made by the Company and accordingly the Proposed Spin-off is subject to approval of the Stock Exchange.

As one or more applicable percentage ratios under the Listing Rules in respect of the Merger and the Proposed Spin-off exceed 25% and all applicable percentage ratios under the Listing Rules in respect of the Merger and the Proposed Spin-off are below 75% (in the case for the

disposal of equity interests in Landsea Homes) or 100% (in the case for the acquisition of equity interests in LF Capital), the Merger and the Proposed Spin-off constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Merger and the Proposed Spin-off are subject to, among other things, the approval of the Shareholders under paragraph 3(e)(1) of PN15 and Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Merger and the Proposed Spin-off. As such, no Shareholder (save that the controlling Shareholders are required to abstain from voting on the resolution to waive the assured entitlement) is required to abstain from voting if a general meeting were convened to approve the Merger and the Proposed Spin-off. As at the date of the Merger Agreement, each of Mr. Tian Ming, Greensheid, Landsea International and Easycorps held 8,901,500 Shares, 1,997,961,187 Shares, 367,914,894 Shares and 361,493,785 Shares respectively, together representing approximately 57.95% of the issued share capital of the Company giving the right to attend and vote at general meetings of the Company, for the Merger and the Proposed Spin-off in accordance with Rule 14.44 of the Listing Rules. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Mr. Tian Ming, Greensheid, Landsea International and Easycorps will be accepted in lieu of holding a general meeting of the Company.

SGM

Having considered the reasons as stated under the paragraph headed "Assured Entitlement" above, the Board does not believe that the requirement to provide assured entitlement is practicable in the circumstances nor in the interest of the Shareholders as a whole. Accordingly, the Company will convene the SGM to seek Independent Shareholders' approval for the waiver of the assured entitlement requirement under PN15 in respect of the Proposed Spin-off. Each of Greensheid, Landsea International, Easycorps and Mr. Tian Ming, together being the controlling Shareholder holding approximately 57.95% of the issued share capital of the Company, will abstain from voting in relation to the resolution approving the waiver of the assured entitlement requirement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng to advise the Independent Shareholders on the Merger, the Proposed Spin-off and the transactions contemplated thereunder. None of the members of the Independent Board Committee has any interest or involvement in the Merger, the Proposed Spin-off and the transactions contemplated thereunder.

Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Merger, the Proposed Spin-off and the transactions contemplated thereunder. The Independent Board Committee will form its view in respect of the Merger, the Proposed Spin-off and the transactions contemplated thereunder after obtaining and considering the advice from the Independent Financial Adviser.

GENERAL

A circular containing, among other things, (i) further details of the Merger and the Proposed Spin-off; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders on the Merger, the Proposed Spin-off and the transactions contemplated thereunder; (iii) a letter of advice from Trinity Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders in relation to the Merger, the Proposed Spin-off and the transactions contemplated thereunder; and (iv) a notice of the SGM and a form of proxy, is expected to be dispatched to the Shareholders on or before 21 September 2020 as the Company needs more time to prepare and finalize information to be included in the circular.

Shareholders and potential investors in the Company should note that the consummation of the Merger is subject to the fulfilment of certain conditions and that the Merger Agreement may be terminated in certain circumstances. Accordingly, there is no assurance that the Merger will be completed. Shareholders and potential investors in the Company should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Landsea Green Properties Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 106)
“Completion”	consummation of the Merger in accordance with the terms of the Merger Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Easycorps”	Easycorps Group Limited, a company wholly-owned by Mr. Tian Ming as at the date of this announcement
“Founders”	collectively, the Sponsor and all other holders of Class B common stock of LF Capital as at the date of this announcement

“Forward Purchase Transaction”	the forward purchase and subscription agreements entered into by and among LF Capital, the Sponsor and certain investors party thereto and as at the date of the Merger Agreement, whereby the investors have agreed to, in the aggregate, purchase up to US\$35 million of shares of LF Common Stock in open market transactions prior to the record date for the meeting of the stockholders of LF Capital (subject to certain price thresholds) and in consideration thereof the LF Capital shall issue a certain number of shares of LF Common Stock to such investors. Sponsor shall concurrently forfeit an amount of LF Common Stock equal to the amount issued to the investors
“Greensheid”	Greensheid Corporation, a wholly-owned subsidiary of Landsea International as at the date of this announcement
“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 comprising all its independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the terms and conditions of the Merger Agreement and the transactions contemplated thereunder (including the Merger) and the Proposed Spin-off
“Independent Financial Adviser”	Trinity Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Merger, the Proposed Spin-off and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholders other than those who are required under the Listing Rules to abstain from voting at the SGM for the resolution(s) approving the Merger Agreement and the transactions contemplated thereunder (including the Merger) and the Proposed Spin-off
“Landsea Homes”	Landsea Homes Incorporated, a corporation incorporated in the State of Delaware of the US and a wholly-owned subsidiary of the Company as at the date of this announcement
“Landsea Homes Common Stock”	common stock in Landsea Homes with a par value of US\$0.0001 per share

“Landsea Homes Group”	Landsea Homes and its subsidiaries
“Landsea International”	Landsea International Holdings Limited, a controlling shareholder of the Company as at the date of this announcement
“LF Capital”	LF Capital Acquisition Corp., being a special purpose acquisition company in the US and the LF Common Stock, public warrants and units of which are listed on Nasdaq with ticker symbols “LFAC”, “LFACW” and “LFACU”, respectively
“LF Common Stock”	Class A common stock in LF Capital
“LHC”	Landsea Holdings Corporation, a corporation incorporated in the State of Delaware of the US and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Merger”	a business combination transaction by which Merger Sub merges with and into Landsea Homes with Landsea Homes being the surviving entity of such merger
“Merger Agreement”	the agreement dated 31 August 2020 (US time) entered into among Landsea Homes, LHC, LF Capital and Merger Sub in relation to the Merger
“Merger Consideration”	consideration for the Merger, being US\$343,805,119.68
“Merger Sub”	LFCA Merger Sub, Inc., a limited liability company formed in the State of Delaware of the US and a wholly-owned subsidiary of LF Capital
“Nasdaq”	National Association of Securities Dealers Automated Quotations capital market
“PN 15”	Practice Note 15 of the Listing Rules
“PRC”	the People’s Republic of China
“Proposed Spin-off”	the proposed disposal of Landsea Homes by way of the Merger pursuant to the terms of the Merger Agreement, thereby effecting the separate listing of Landsea Homes on Nasdaq
“Remaining Business”	the business of the Group, excluding the US Property Development Business, upon Completion

“Remaining Group”	the Group, excluding the Landsea Homes Group, upon Completion
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened for considering and, if thought fit, approving the waiver of the assured entitlement requirement under PN15 in respect of the Proposed Spin-off
“Shareholder(s)”	shareholders of the Company
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company (or such other nominal amount as shall result from a sub-division, consolidation, reclassification, or reconstruction of the share capital of the Company, from time to time)
“Sponsor”	Level Field Capital, LLC, a company incorporated in the state of Delaware of the US with limited liability, which acted as the sponsor of the initial public offering of LF Capital
“Surrendered Shares”	a total number of 600,000 shares of LF Common Stock (as converted on a one-to-one basis from the Class B common shares of LF Capital at Completion) that the Sponsor agreed to defer in connection with the consummation of the transactions as contemplated under the Merger Agreement
“Surrendered Warrants”	a total number of 2,260,000 Private Placement Warrants that the Sponsor agreed to transfer to LF Capital for forfeiture in connection with the consummation of the transactions as contemplated under the Merger Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Urban Development Project”	a 14 storey luxury residential condominium development on the upper west side of Manhattan, New York in the US, which will be transferred to LHC as part of an internal reorganization on 29 June 2020
“US”	the United States of America
“US Property Development Business”	the business principally engaged by Landsea Homes as at the date of the Merger Agreement, being residential property development in the US, in Greater New York, Boston, Los Angeles, San Francisco and Arizona, but excluding the Urban Development Project

“US\$”	United States dollar, the lawful currency of the US
“Warrant Agreement”	the warrant agreement dated 19 June 2018 and entered into by and between LF Capital and Continental Stock Transfer & Trust Company
“Warrant Amendment”	an amendment to the Warrant Agreement such that, as of the Merger Effective Time, (i) each issued and outstanding Public Warrant, which currently entitles each holder thereof to purchase one share of LF Common Stock at an exercise price of US\$11.50 per share, will become exercisable for one-tenth of one share at an exercise price of US\$1.15 per one-tenth share (US\$11.50 per whole share) and (ii) each holder of Public Warrants issued and outstanding immediately prior to the Merger Effective Time shall be entitled to receive from LF Capital a one-time payment of US\$1.85 per Public Warrant as soon as reasonably practicable following the Completion
“Warrant Holder Approval”	the proposal, requiring the approval of holders representing at least 65% of the issued and outstanding public warrants of LF Capital, to effect the Warrant Amendment, if necessary
“%”	per cent

For the purposes of this announcement, the exchange rate of US\$1.00 = HK\$7.8 has been used for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

By order of the Board
Landsea Green Properties Co., Ltd.
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, 31 August 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Tian Ming, Mr. Huang Zheng, Ms. Shen Leying and Mr. Jiang Chao, one non-executive Director, namely Mr. Zhou Yimin, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.