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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)**

**ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**FINANCIAL HIGHLIGHT**

- For the year of 2021, the contracted sales of “Landsea Products” was approximately RMB47.15 billion, representing an increase of approximately 14.5% as compared with the corresponding period of the previous year.
- For the year of 2021, the gross profit margin was approximately 20.7%, representing an increase of 1.7 percentage points as compared with the corresponding period of the previous year.
- For the year of 2021, the revenue from Project Management Services was approximately RMB752 million, and the gross profit margin of Project Management Services was maintained at approximately 40%.
- For the year of 2021, the contract sum of new Project Management Services was approximately RMB981 million, representing an increase of approximately 9% as compared with the corresponding period of the previous year.

## ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Landsea Green Properties Co., Ltd. (the “**Company**” or “**Landsea**”) would like to present the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021 (“**FY2021**”) together with the comparative figures. The consolidated results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		<b>For the year ended</b>	
	<i>Note</i>	<b>31 December 2021 RMB’000</b>	31 December 2020 RMB’000
Revenue	3	<b>8,076,070</b>	8,991,903
Cost of sales and services		<b>(6,406,403)</b>	(7,283,701)
<b>Gross profit</b>		<b>1,669,667</b>	1,708,202
Other income	5	<b>103,209</b>	178,806
Selling expenses		<b>(485,646)</b>	(406,890)
Administrative expenses		<b>(1,283,155)</b>	(908,853)
Net provision for impairment loss on financial assets		<b>(275,028)</b>	(381,184)
Fair value (losses)/gains		<b>(5,632)</b>	80,790
Other (losses)/gains — net		<b>(93,215)</b>	8,774
<b>Operating (loss)/profit</b>		<b>(369,800)</b>	279,645
Finance income	6	<b>18,227</b>	27,028
Finance costs	6	<b>(253,943)</b>	(480,607)
Finance costs — net	6	<b>(235,716)</b>	(453,579)
Share of net profit of associates		<b>31,482</b>	452,771
Share of net profit of joint ventures		<b>67,124</b>	242,902
<b>(Loss)/profit before income tax</b>		<b>(506,910)</b>	521,739
Income tax expenses	7	<b>(189,281)</b>	(489,148)
<b>(Loss)/profit for the year</b>		<b>(696,191)</b>	32,591

		<b>For the year ended</b>	
		<b>31 December</b>	<b>31 December</b>
	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
— Exchange difference on translation of foreign operations		<u>84,135</u>	<u>129,391</u>
<i>Items that will not be reclassified to profit or loss:</i>			
— Exchange difference on translation of foreign operations attributable to the Company		23,675	—
— Exchange difference on translation of foreign operations attributable to non-controlling interests		(25,889)	(2,373)
— Revaluation gain on the property transferring from property, plant and equipment to investment properties		<u>1,289</u>	<u>—</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>83,210</u>	<u>127,018</u>
<b>Total comprehensive (loss)/income for the year</b>		<u>(612,981)</u>	<u>159,609</u>
<b>(Loss)/profit for the year attributable to:</b>			
— The shareholders of the Company		(777,504)	(100,572)
— Non-controlling interests		<u>81,313</u>	<u>133,163</u>
		<u>(696,191)</u>	<u>32,591</u>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
— The shareholders of the Company		(668,405)	28,819
— Non-controlling interests		<u>55,424</u>	<u>130,790</u>
		<u>(612,981)</u>	<u>159,609</u>
<b>Loss per share attributable to the shareholders of the Company for the year (expressed in RMB per share)</b>			
Basic loss per share	8	<u>RMB (0.169)</u>	<u>RMB (0.022)</u>
Diluted loss per share	8	<u>RMB (0.169)</u>	<u>RMB (0.022)</u>

**CONSOLIDATED BALANCE SHEET**  
*AS AT 31 DECEMBER 2021*

		<b>31 December</b>	31 December
		<b>2021</b>	2020
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	<i>10</i>	<b>687,500</b>	674,900
Property, plant and equipment		<b>201,044</b>	251,893
Right-of-use assets		<b>89,085</b>	54,253
Interests in associates		<b>1,263,464</b>	2,141,030
Interests in joint ventures		<b>2,538,674</b>	2,405,748
Trade and other receivables, prepayments and deposits	<i>12</i>	<b>280,690</b>	974,877
Deferred income tax assets		<b>709,043</b>	567,900
Goodwill		<b>155,928</b>	135,097
		<u><b>5,925,428</b></u>	<u>7,205,698</u>
<b>Current assets</b>			
Properties held for sale		<b>479,426</b>	1,186,481
Properties under development	<i>11</i>	<b>11,402,110</b>	5,158,500
Inventories		<b>32,320</b>	51,565
Contract assets		<b>318,822</b>	179,226
Trade and other receivables, prepayments and deposits	<i>12</i>	<b>5,440,451</b>	5,666,240
Financial assets at fair value through profit or loss		<b>63,747</b>	–
Restricted cash		<b>189,739</b>	121,407
Cash and cash equivalents	<i>15</i>	<b>4,031,310</b>	5,131,678
		<u><b>21,957,925</b></u>	<u>17,495,097</u>
<b>Total assets</b>		<u><b>27,883,353</b></u>	<u>24,700,795</u>

		<b>31 December</b>	31 December
		<b>2021</b>	2020
	<i>Note</i>	<b>RMB'000</b>	<i>RMB'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	13	251,004	1,771,862
Financial liabilities at fair value through profit or loss		50,103	–
Advance from lessees		23,106	25,794
Lease liabilities		56,417	38,354
Borrowings	14	4,650,617	5,696,886
Deferred income tax liabilities		186,855	160,761
		<u>5,218,102</u>	<u>7,693,657</u>
<b>Current liabilities</b>			
Trade and other payables	13	8,565,304	9,518,171
Advance from lessees		2,692	2,692
Contract liabilities		4,029,269	304,896
Lease liabilities		37,555	19,519
Borrowings	14	3,839,002	856,706
Current income tax liabilities		610,167	810,015
		<u>17,083,989</u>	<u>11,511,999</u>
<b>Total liabilities</b>		<u>22,302,091</u>	<u>19,205,656</u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital		38,702	38,702
Reserves		3,885,805	4,944,784
		<u>3,924,507</u>	<u>4,983,486</u>
Non-controlling interests		<u>1,656,755</u>	<u>511,653</u>
<b>Total equity</b>		<u>5,581,262</u>	<u>5,495,139</u>
<b>Total liabilities and equity</b>		<u>27,883,353</u>	<u>24,700,795</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Landsea Green Properties Co., Ltd. was incorporated in Bermuda as an exempted company with limited liability. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and Unit 5103, 51/F., The Center, 99 Queen's Road Central, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The Company and its subsidiaries are referred to as the "**Group**" hereinafter. The Group is principally engaged in development and sales of properties, provision of management services and leasing of properties. The Company's subsidiary, Landsea Homes Corporation ("**Landsea Homes**") was listed on Nasdaq on 7 January 2021.

The immediate holding company and the ultimate controlling company of the Company are Greensheid Corporation, a company established in the British Virgin Islands and 朗詩集團股份有限公司 (Landsea Group Co., Ltd. ("**Landsea Group**")), a company established in the People's Republic of China (the "**PRC**"), respectively. The ultimate controlling shareholder of the Company is Mr. Tian Ming ("**Mr. Tian**"), a director of the Company.

The financial statements are presented in thousands of Renminbi ("**RMB'000**") unless otherwise stated.

The financial statements were approved for issue by the Board on 31 March 2022.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

### 2.1 Basis of preparation

- (a) *Compliance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and Hong Kong Companies Ordinance Cap. 622 ("**HKCO**")*

The consolidated financial statements of the Group have been prepared in accordance with HKFRSs and disclosure requirements of HKCO.

- (b) *Historical cost convention*

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and investment properties measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(c) *Going concern basis*

As at 31 December 2021, the Group's current borrowings excluding those of Landsea Homes, the Company's listed subsidiary, amounted to RMB3,166.86 million. At the same date, the Group's cash and cash equivalents excluding those held by Landsea Homes and certain other US subsidiaries which the Company cannot freely use, amounted to RMB1,519.11 million, of which RMB993.41 million was subsequently repaid to related parties in January 2022.

Due to the slowing down of Mainland China property market since second half of 2021 which reduced pre-sales volume and collection of pre-sale proceeds, the Group's China operations had experienced a decline in the business of property development and sales. At the same time, the Group's China operation is less accessible to financing because of the overall tightened financing condition for property developers in Mainland China.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt regarding the Group's ability to continue as a going concern. In view of such circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measure have been formulated to mitigate the liquidity pressure and to improve its cash flows which include, but not limited to, the following:

- (i) The Group will continue to actively adjust sales and pre-sale activities to better respond to market needs, and make efforts to achieve the latest budgeted sales and pre-sales volumes and amounts. The Group will maintain continuous communication with the major constructors and suppliers to arrange payments to these vendors and meet all of the necessary conditions to launch the pre-sale. The Group will also continuously enhance collection progress from customers and banks in respect of the property sales and pre-sales;
- (ii) The Group will continuously comply with financial covenants and other terms and conditions of the borrowings, including timely repayment of principle and interests of the borrowings. In addition, the Group has been actively negotiating with certain financial institutions so that the Group can timely secure project development loans for qualified project development and secure loans through pledge of equity interests in certain subsidiaries;
- (iii) The Group has successfully obtained a borrowing facility of RMB500 million from its ultimate controlling company, Landsea Group in January 2022, which have a term of 24 months of the date of drawn down and RMB125 million was drawn down in March 2022;
- (iv) The Group is in negotiation with potential investors related to the sale of certain equity interests of subsidiaries, joint ventures and associates of the Group. At the same time, the Group has been in contact with potential buyers to dispose certain investment properties of the Group. In addition, the Group will continuously seek for advances from certain joint ventures and associates according to those projects' pre-sale and cashflow conditions; and
- (v) The Group is also putting extra efforts on collecting its trade and other receivables and will also continue to take active measures to control administrative costs.

The directors have reviewed the Group's cash flow projections for a period of 12 months from 31 December 2021 and are of the opinion that, taking into account the above-mentioned plans and measures, the Group will be able to generate sufficient funds to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2021. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measure as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) successfully adjust sales and pre-sales activities to achieve budgeted sales and pre-sales volumes, successfully arrange payments to constructors and suppliers on schedule and meet all of the necessary conditions to launch the pre-sale, and timely collect the relevant sales proceeds;
- (ii) continuously comply with financial covenants and other terms and conditions of the borrowings, successfully and timely secure necessary loans from financial institutions;
- (iii) successfully draw down necessary funding from the borrowing facility granted by the ultimate controlling company;
- (iv) successfully complete the sale of equity interests in the Group's subsidiaries, joint ventures and associates and disposal of certain investment properties; and timely receive the proceeds; as well as successfully receive advances from existing joint ventures and associates; and
- (v) successfully generate operating cash flows through speeding up the collection of trade and other receivables and controlling administrative costs.

Should the Group fail to achieve a combination of the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(d) *New and amended standards adopted by the Group*

A number of new or revised standards, amendments and interpretations to existing standards are mandatory for the financial year beginning on 1 January 2021:

- *Covid-19-related Rent Concessions — Amendments to HKFRS 16*
- *Interest Rate Benchmark Reform — Phase 2 — Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16*

The standards, amendments and interpretations described above are either currently not relevant to the Group or had no material impact on the Group's financial information.

(e) *New standards and interpretations not yet adopted*

Certain new accounting standards, amendments and interpretations to existing standards have been published that are not mandatory for the financial year beginning 1 January 2021 and relevant to the Group and have not been early adopted by the Group.

<b>Standards, amendments and interpretations</b>		<b>Effective for annual periods beginning on or after</b>
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combination	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Hong Kong Interpretation 5 (2020)	Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The above standards, amendments and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

### 3 REVENUE

#### 3.1 Revenue from contracts with customers

	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Revenue recognized at a point in time		
Property development and sales		
— Mainland China	<b>809,187</b>	3,209,379
— United States (“US”)	<b>6,511,065</b>	5,068,627
Management services (a)		
— Mainland China	<b>215,371</b>	275,907
— US	<b>2,467</b>	—
	<b>7,538,090</b>	8,553,913
Revenue recognized over period		
Property development and sales		
— US	—	—
Management services (a)		
— Mainland China	<b>533,913</b>	409,973
	<b>533,913</b>	409,973
Rental income		
— Office investment properties	<b>4,067</b>	28,017
	<b>8,076,070</b>	8,991,903

(a) Breakdown of the revenue from management services is as follows:

	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Revenue from development management services	<b>390,553</b>	256,948
Revenue from sales management services	<b>215,371</b>	275,907
Revenue from green product integration services	<b>33,613</b>	57,304
Revenue from brand authorisation services	<b>112,214</b>	95,721
	<b>751,751</b>	685,880

#### **4 SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The reports are prepared on the same basis as consolidated financial statements.

The executive directors consider the business from services perspective and have identified the following operating segments:

- Property development and sales in the US;
- Property development and sales in Mainland China;
- Management services; and
- Office property investment.

The executive directors assess the performance of operating segments based on a measure of segment revenue and segment profit.

Segment profit represents the profit earned by each segment without allocation of net finance costs and corporate expenses charged in the consolidated statement of comprehensive income. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment.

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2021 is as follows:

	For the year ended 31 December 2021				
	Property development and sales in US RMB'000	Property development and sales in Mainland China RMB'000	Management services RMB'000	Office property investment RMB'000	Total RMB'000
Segment revenue					
(from external customers) (note 3)					
— Revenue recognized at a point in time under HKFRS 15	6,511,064	809,187	217,839	–	7,538,090
— Revenue recognized over period under HKFRS 15	–	–	533,913	–	533,913
— Rental income	–	–	–	4,067	4,067
	<u>6,511,064</u>	<u>809,187</u>	<u>751,752</u>	<u>4,067</u>	<u>8,076,070</u>
Depreciation of property, plant and equipment	(23,586)	(7,565)	(10,683)	–	(41,834)
Depreciation of right-of-use assets	(10,259)	(1,706)	(9,024)	–	(20,989)
Fair value loss on investment properties (note 10)	–	–	–	(19,600)	(19,600)
Fair value gain on financial liabilities at fair value through profit or loss	13,968	–	–	–	13,968
Share of net profit of associates	–	31,482	–	–	31,482
Share of net profit of joint ventures	15,369	51,755	–	–	67,124
Segment profit/(loss)	<u>28,702</u>	<u>(131,879)</u>	<u>37,788</u>	<u>(26,506)</u>	<u>(91,895)</u>
<b>At 31 December 2021</b>					
Segment assets	9,221,086	16,488,664	1,461,763	711,840	27,883,353
Interests in associates	–	1,263,464	–	–	1,263,464
Interests in joint ventures	2,603	2,536,071	–	–	2,538,674
Additions/(deductions) to non-current assets (excluding financial assets, deferred income tax assets)	55,184	(41,535)	(8,835)	32,200	37,014
Segment liabilities	<u>6,204,013</u>	<u>15,309,711</u>	<u>730,898</u>	<u>57,469</u>	<u>22,302,091</u>

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2020 is as follows:

	For the year ended 31 December 2020				
	Property development and sales in US RMB'000	Property development and sales in Mainland China RMB'000	Management services RMB'000	Office property investment RMB'000	Total RMB'000
Segment revenue					
(from external customers) (note 3)					
— Revenue recognized at a point in time under HKFRS 15	5,068,627	3,209,379	275,907	—	8,553,913
— Revenue recognized over period under HKFRS 15	—	—	409,973	—	409,973
— Rental income	—	—	—	28,017	28,017
	<u>5,068,627</u>	<u>3,209,379</u>	<u>685,880</u>	<u>28,017</u>	<u>8,991,903</u>
Depreciation of property, plant and equipment	(9,715)	(7,560)	(12,817)	(1,008)	(31,100)
Depreciation of right-of-use assets	(11,518)	(1,902)	(6,071)	—	(19,491)
Fair value gain on investment properties (note 10)	—	—	—	80,790	80,790
Share of net profit of associates	—	452,771	—	—	452,771
Share of net (loss)/profit of joint ventures	(103,404)	346,306	—	—	242,902
Segment (loss)/profit	<u>(279,489)</u>	<u>1,226,553</u>	<u>78,753</u>	<u>233,374</u>	<u>1,259,191</u>
At 31 December 2020					
Segment assets	6,635,732	15,808,567	1,526,950	729,546	24,700,795
Interests in associates	—	2,141,030	—	—	2,141,030
Interests in joint ventures	131,632	2,274,116	—	—	2,405,748
Additions/(deductions) to non-current assets (excluding financial assets, deferred income tax assets)	96,529	(3,866)	2,516	(261,115)	(165,936)
Segment liabilities	<u>4,191,847</u>	<u>14,094,023</u>	<u>864,605</u>	<u>55,181</u>	<u>19,205,656</u>

The Group does not have any single customer which contributed more than 10% of the Group's revenue. The Group's revenue from external customers and non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2020 RMB'000	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2020 RMB'000
Mainland China	1,562,538	3,923,276	5,604,674	6,758,293
US	6,513,532	5,068,627	315,858	446,565
Hong Kong (domicile)	—	—	4,896	840
	<u>8,076,070</u>	<u>8,991,903</u>	<u>5,925,428</u>	<u>7,205,698</u>

The revenue information above is based on the location of the customers. Non-current assets information above is based on the location of the assets.

Reconciliation of segment (loss)/profit to (loss)/profit before income tax from continuing operations is as follows:

	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2020 RMB'000
Segment (loss)/profit	(91,895)	1,259,191
Finance costs, net ( <i>note 6</i> )	(235,716)	(453,579)
Unallocated corporate expenses	<u>(179,299)</u>	<u>(283,873)</u>
(Loss)/profit before income tax	<u>(506,910)</u>	<u>521,739</u>

## 5 OTHER INCOME

	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2020 RMB'000
Interest income from:		
— Amounts due from joint ventures and associates	47,575	101,855
— Amounts due from non-controlling interests	22,787	26,293
— Loan to third parties	1,633	1,391
Government grants	<u>31,214</u>	<u>49,267</u>
	<u>103,209</u>	<u>178,806</u>

## 6 FINANCE COSTS, NET

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2020 <i>RMB'000</i>
Financial cost		
— Bank borrowings	257,911	199,107
— Loans from the ultimate controlling company	51,473	51,614
— Senior private notes	253,420	371,648
— EB-5 loans	2,470	1,820
— Loans from other financial institutions	34,185	20,385
— Interest expense on amounts due to related parties	11,046	55,007
— Loans from non-controlling interests	9,373	9,398
— Financing component of contracts with customers	—	156,018
— Lease liabilities	4,382	3,579
— Other finance charges	4,403	10,381
	<u>628,663</u>	<u>878,957</u>
Less: interest capitalized	<u>(374,720)</u>	<u>(398,350)</u>
	253,943	480,607
Finance income		
— Bank interest income	<u>(18,227)</u>	<u>(27,028)</u>
	<u>235,716</u>	<u>453,579</u>

The average interest rate of borrowing costs capitalized for the year ended 31 December 2021 was approximately 6.32% per annum (2020: 6.37%).

## 7 INCOME TAX EXPENSE

	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Current income tax		
— Hong Kong profit tax (a)		
Tax expense for the year	—	—
— Mainland China enterprise income tax (b)		
Tax expense for the year	<b>111,654</b>	125,153
— US profit tax (c)		
Tax expense for the year	<b>108,607</b>	19,367
	<b>220,261</b>	144,520
Mainland China land appreciation tax (b)	<b>54,237</b>	349,936
Deferred income tax	<b>(85,217)</b>	(5,308)
	<b>189,281</b>	489,148

(a) Hong Kong profit tax has been provided at 16.5% (2020: 16.5%) on the assessable profits arising in Hong Kong for the year.

(b) For the year ended 31 December 2021, the Group's subsidiaries in Mainland China are subject to enterprise income tax at the rate of 25% (2020: 25%) except for one subsidiary which is located in western areas of the Mainland China engaged in encouraged industries and is subject to a preferential tax rate of 15% in accordance with relevant regulations.

Land appreciation tax in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures. The tax is incurred upon transfer of property ownership.

(c) In accordance with US tax law, the statutory tax rate for federal and state tax purposes was 25.78% (2020: 26.51%).

(d) Under the Law of Mainland China on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law, a withholding tax at 10% is imposed for dividends distributed by a Mainland China-resident enterprise to its immediate holding company outside Mainland China for earnings generated beginning 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding company is established in Hong Kong according to the tax treaty arrangement between Mainland China and Hong Kong. The Group controls the dividend policies of subsidiaries in Mainland China. The directors of the Company

confirmed that the remaining retained earnings of the Group's subsidiaries in Mainland China as at 31 December 2021 will not be distributed to its immediate holding company in the foreseeable future. As at 31 December 2021, deferred income tax liability of RMB496,763,000 (2020: RMB504,181,000) on the remaining unremitted distributable profit generated by the Group's subsidiaries in Mainland China attributable to its immediate holding company with the amount of RMB4,967,631,000 (2020: RMB5,041,814,000) was not recognized.

Pursuant to the requirements of the US Department of the Treasury on Withholding of Tax on Nonresident Aliens and Foreign Entities, a withholding tax at 30% is imposed for dividends distributed by a US-resident enterprise to its immediate holding company outside the US. A reduced rate, including exemption, may apply if there is a tax treaty between the country of residence and the US. The Group controls the dividend policies of subsidiaries in the US. The directors of the Company confirmed that the remaining retained earnings of the Group's subsidiaries in the US as of 31 December 2021 will not be distributed to its immediate holding company in the foreseeable future. As at 31 December 2021, deferred income tax liability of RMB45,515,000 (2020: RMB28,064,000) on the remaining unremitted distributable profit generated by the Group's subsidiaries in the US attributable to its immediate holding company with the amount of RMB168,950,000 (2020: RMB104,172,000) was not recognized.

- (e) As of 31 December 2021, the Group has unused tax losses RMB162,125,000 (2020: RMB74,273,000) available for offset against future profits for certain entities in Mainland China which have not been recognized due to the unpredictability of future profit streams. The tax losses in Mainland China would expire within five years.

## 8 LOSS PER SHARE

### (a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Loss attributable to the shareholders of the Company	<u>(777,504)</u>	<u>(100,572)</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>4,590,548</u>	<u>4,631,416</u>
Basic loss per share (expressed in RMB per share)	<u><b>RMB(0.169)</b></u>	<u>RMB(0.022)</u>

**(b) Diluted loss per share**

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: restricted share award scheme. The shares granted under the restricted share award scheme are assumed to have been transferred to the grantee. The effects of restricted share award scheme were excluded from calculation of diluted loss per share as the effects would have been anti-dilutive during the year ended 31 December 2021.

	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Loss attributable to the shareholders of the Company	<u>(777,504)</u>	<u>(100,572)</u>
Weighted average number of ordinary shares in issue (in thousands)	<b>4,590,548</b>	4,631,416
Adjustment for:		
— Assumed distribution of shares under restricted share award scheme (in thousands)	<u>—</u>	<u>—</u>
Adjusted weighted average number of ordinary shares for diluted loss per share (in thousands)	<u><b>4,590,548</b></u>	<u>4,631,416</u>
Diluted loss per share (expressed in RMB per share)	<u><b>RMB(0.169)</b></u>	<u>RMB(0.022)</u>

**9 DIVIDEND**

	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Final dividend for the year ended 31 December 2020 of RMB cents 2.50 (2019: RMB cents 7.40) per fully paid share	<u><b>119,621</b></u>	<u>351,583</u>
	<b>For the year ended 31 December 2021 RMB'000</b>	For the year ended 31 December 2020 RMB'000
Proposed no distribution of final dividend out of contributed surplus (2020: HK cents 3.00 (equivalent to approximately RMB cents 2.50) per ordinary share)	<u>—</u>	<u>119,621</u>

The final dividend relating to the year ended 31 December 2020 was amounted to RMB119,621,000, of which RMB68,208,000 had been paid by the end of 31 December 2021.

The Board did not propose to make a distribution for the year ended 31 December 2021 (2020: HK cents 3.00 (equivalent to approximately RMB cents 2.50) per ordinary share).

## 10 INVESTMENT PROPERTIES

As at 31 December 2021, the Group held certain properties located in Mainland China. Changes to the carrying amount of investment properties in the consolidated balance sheet are summarized as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	31 December
	<b>2021</b>	2020
	<b>RMB'000</b>	<b>RMB'000</b>
At 1 January	<u>674,900</u>	<u>852,500</u>
Transfer from property, plant and equipment	32,200	–
Transfer from properties under development	–	107,810
Fair value (loss)/gain	(19,600)	80,790
Disposal of subsidiaries	–	(366,200)
	<u>–</u>	<u>–</u>
At 31 December	<u><u>687,500</u></u>	<u><u>674,900</u></u>

## 11 PROPERTIES UNDER DEVELOPMENT

	<b>31 December</b>	31 December
	<b>2021</b>	2020
	<b>RMB'000</b>	<b>RMB'000</b>
Properties under development located in:		
— Mainland China	5,648,120	515,650
— US	5,753,990	4,642,850
	<u>11,402,110</u>	<u>5,158,500</u>
Less: provision for decline in the value of properties under development	<u>–</u>	<u>–</u>
	<u><u>11,402,110</u></u>	<u><u>5,158,500</u></u>
Amount comprises:		
— Land payments	5,886,042	2,792,749
Leasehold land, Mainland China	3,325,628	463,911
Freehold land, US	2,560,414	2,328,838
— Development expenditures and improvements	4,882,206	2,073,910
— Finance cost capitalized	633,862	291,841
	<u>11,402,110</u>	<u>5,158,500</u>

## 12 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Included in non-current assets:		
Amounts due from related parties	<b>398,810</b>	1,034,406
Less: provision for bad debt	<b>(170,584)</b>	(129,421)
	<u><b>228,226</b></u>	<u>904,985</u>
Other receivables		
— Deposits for building construction	<b>50,000</b>	50,000
— Lendings to third parties	—	16,090
— Deposits for property maintenance	<b>5,580</b>	5,579
	<u><b>55,580</b></u>	<u>71,669</u>
Less: provision for bad debt	<u><b>(3,116)</b></u>	<u>(1,777)</u>
	<u><b>52,464</b></u>	<u>69,892</u>
	<u><b>280,690</b></u>	<u>974,877</u>
Included in current assets:		
Trade receivables (a)		
— Related parties	<b>180,176</b>	294,508
— Third parties	<b>501,539</b>	564,237
	<u><b>681,715</b></u>	<u>858,745</u>
Less: provision for bad debt		
— Related parties	<b>(26,397)</b>	(16,255)
— Third parties	<b>(228,429)</b>	(158,505)
	<u><b>(254,826)</b></u>	<u>(174,760)</u>
	<u><b>426,889</b></u>	<u>683,985</u>
Prepayments		
— Prepayments for purchase of land	<b>542,500</b>	—
— Prepaid value added tax (“VAT”) and other surcharges	<b>104,090</b>	56,742
— Prepaid taxes	<b>92,789</b>	61,823
— Other prepayments	<b>164,495</b>	80,247
	<u><b>903,874</b></u>	<u>198,812</u>

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Amounts due from related parties	<b>2,722,671</b>	3,542,100
Less: provision for bad debt	<b>(296,294)</b>	(192,425)
	<b>2,426,377</b>	3,349,675
Amounts due from non-controlling interests	<b>847,518</b>	674,714
Less: provision for bad debt	<b>(33,901)</b>	(6,747)
	<b>813,617</b>	667,967
Deposits for purchase of land	<b>405,577</b>	209,011
Less: provision for bad debt	<b>(4,056)</b>	(2,090)
	<b>401,521</b>	206,921
Other receivables		
— Lendings to third parties	<b>332,746</b>	242,448
— Deposits for land bidding	<b>42,000</b>	—
— Escrow Receivable	<b>31,246</b>	75,806
— Deposits in housing fund	<b>8,860</b>	11,535
— Deposits for building construction	<b>3,377</b>	3,538
— Deposits for apartments rental	<b>3,350</b>	2,368
— Consideration Receivables	<b>—</b>	171,500
— Others	<b>60,818</b>	57,618
	<b>482,397</b>	564,813
Less: provision for bad debt	<b>(14,224)</b>	(5,933)
	<b>468,173</b>	558,880
	<b>5,440,451</b>	5,666,240

(a) Trade receivables

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Trade receivables from property development and sales	<b>255,482</b>	237,993
Trade receivables from management services	<b>426,233</b>	620,752
	<b>681,715</b>	858,745
Less: provision for bad debt	<b>(254,826)</b>	(174,760)
	<b>426,889</b>	683,985

The aging analysis of the current trade receivables based on the invoice date is as follows:

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Related parties		
— Less than one year	<b>64,556</b>	115,212
— One to two years	<b>26,750</b>	83,025
— Two to three years	<b>34,627</b>	79,489
— Three to four years	<b>46,258</b>	16,782
— Four to five years	<b>7,985</b>	—
	<b>180,176</b>	294,508
Third parties		
— Less than one year	<b>48,379</b>	92,294
— One to two years	<b>38,246</b>	392,449
— Two to three years	<b>336,896</b>	41,149
— Three to four years	<b>39,822</b>	38,345
— Four to five years	<b>38,196</b>	—
	<b>501,539</b>	564,237
	<b>681,715</b>	858,745

The credit terms granted to customers of purchasing properties are generally ranging from 30 days to 60 days, while for the customers to whom the Group provides management services, decoration services and sales of land, the credit terms are around one year.

As at 31 December 2021, the carrying amounts of trade and other receivables, prepayments and deposits (netting off provision for bad debt) were denominated in below currencies:

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
RMB	<b>5,196,774</b>	6,281,941
US\$	<b>516,094</b>	349,077
HK\$	<b>8,273</b>	10,099
	<b>5,721,141</b>	6,641,117

As at 31 December 2021 and 2020, the fair value of trade and other receivables approximate their carrying amounts.

### 13 TRADE AND OTHER PAYABLES

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Included in non-current liabilities:		
— Amounts due to related parties	<b>145,958</b>	1,687,307
— Warranty accrual	<b>100,046</b>	76,533
— Other payables	<b>5,000</b>	8,022
	<b>251,004</b>	1,771,862
Included in current liabilities:		
— Amounts due to related parties	<b>4,412,922</b>	6,024,107
— Payables for construction materials and services	<b>1,925,063</b>	1,556,954
— Deposits received from rental and construction services	<b>497,663</b>	454,127
— Interest payable	<b>319,376</b>	267,287
— Amounts due to non-controlling interests	<b>269,187</b>	259,837
— Funding from third parties	<b>252,919</b>	138,854
— VAT and other tax payables	<b>220,111</b>	247,359
— Dividend payable	<b>204,245</b>	161,222
— Accruals for staff costs	<b>193,923</b>	255,693
— Notes payables	<b>39,520</b>	8,168
— Consideration payables	<b>4,626</b>	27,676
— Other payables	<b>225,749</b>	116,887
	<b>8,565,304</b>	9,518,171

As at 31 December 2021, the carrying amounts of trade and other payables approximate their fair values.

As at balance sheet date, the aging analysis of the payables for construction materials and services based on invoice date is as follows:

	<b>31 December 2021 RMB'000</b>	31 December 2020 RMB'000
Less than one year	<b>1,192,113</b>	885,351
One to two years	<b>436,909</b>	497,393
Two to three years	<b>202,174</b>	153,504
Over three years	<b>93,867</b>	20,706
	<b>1,925,063</b>	1,556,954

As at balance sheet date, the carrying amounts of trade and other payables were denominated in below currencies:

	<b>31 December 2021</b>	31 December 2020
	<b>RMB'000</b>	<b>RMB'000</b>
RMB	<b>7,319,858</b>	10,290,856
US\$	<b>1,211,918</b>	892,796
HK\$	<b>284,532</b>	106,381
	<b><u>8,816,308</u></b>	<b><u>11,290,033</u></b>

#### 14 BORROWINGS

	<b>31 December 2021</b>		31 December 2020	
	<b>Current</b>	<b>Non-current</b>	Current	Non-current
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Secured				
— Bank borrowings	<b>1,154,933</b>	<b>2,993,989</b>	720,385	1,376,770
— Loans from other financial institutions	<b>623,700</b>	—	—	—
Total secured borrowings	<b><u>1,778,633</u></b>	<b><u>2,993,989</u></b>	<u>720,385</u>	<u>1,376,770</u>
Unsecured				
— Bank borrowings	<b>10,000</b>	—	10,000	27,833
— Senior notes 2019	<b>932,592</b>	—	4,141	1,287,542
— Senior notes 2020	<b>1,117,777</b>	—	62,180	1,271,611
— Loans from the ultimate controlling company	—	<b>917,577</b>	—	917,577
— EB-5 loans and contributions from EB-5 investors	—	<b>739,051</b>	—	815,553
— Loans from other financial institutions	—	—	60,000	—
Total unsecured borrowings	<b><u>2,060,369</u></b>	<b><u>1,656,628</u></b>	<u>136,321</u>	<u>4,320,116</u>
Total borrowings	<b><u>3,839,002</u></b>	<b><u>4,650,617</u></b>	<u>856,706</u>	<u>5,696,886</u>

Borrowings carry interest ranging from 0.10% to 12.30% (2020: 0.10% to 10.75%) per annum.

At end of reporting period, the carrying amounts of borrowings were denominated in the following currencies:

	<b>31 December 2021</b>	31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	<b>1,568,436</b>	1,552,193
US\$	<b>6,921,183</b>	5,001,399
	<b><u>8,489,619</u></b>	<u>6,553,592</u>

The Group's borrowings are repayable as follows as at each balance sheet date:

	<b>31 December 2021</b>	31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	<b>3,839,002</b>	856,706
Between one and two years	<b>111,292</b>	3,000,814
Between two and five years	<b>3,816,213</b>	1,896,831
Over five years	<b>723,112</b>	799,241
	<b><u>8,489,619</u></b>	<u>6,553,592</u>

## 15. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are cash balance of US\$342,810,000 (equivalent to approximately RMB2,185,652,000) held by the Company's listed subsidiary, Landsea Homes and cash balance of US\$51,218,000 (equivalent to approximately RMB326,552,000) held by certain other US subsidiaries, which relates to the operation of the property development and sales in the US, and are not available for general use by the Company. As a result, the Group's cash and cash equivalents excluding those held by Landsea Homes and certain other US subsidiaries which the Company cannot freely use, amounted to RMB1,519,106,000.

## CHAIRMAN’S STATEMENT

### Market Overview

Since 2000, the real estate industry in the PRC has experienced 20 years of glorious development with increase in both the volume and price, driven by high land profit and leverage ratio. Since 2021, the economic development in the PRC has been under the pressure of supply shock, shrinking demand and weakening prospect, and under the sluggish sales of the real estate industry, the investment growth rate has also shown a rapid decline. The continuous policy control and the tightening of credit environment have created extreme difficulties for real estate enterprises in terms of financing, and the entire industry has entered the “ice age” and began to restructure. With the disappearance of land profit and the deleveraging of the industry, real estate enterprises in the PRC will also turn to the path for organic growth with low profits, low growth and low leverage ratio.

### Operation Performance

Looking back to 2021, the contracted sales of “Landsea Products” amounted to approximately RMB47.15 billion with contracted GFA of approximately 2.64 million sq.m.. The total revenue was approximately RMB8.08 billion. During the period under review, the Group secured a total of 59 projects, among which, 15 were in the PRC and 44 in the United States.

#### *Real Estate Business in the PRC*

The real estate industry in the PRC experienced significant difficulties in the past year as a result of the weakness arising from over-development over the years and strict policies and restrictions. Besides, many companies has been facing capital chain rupture, overdue payment of debt or even bankruptcy or restructuring. Since the establishment of the Company 20 years ago, Landsea has always respected the market. We are committed to green and low-carbon construction, and shall neither hoard land of an exorbitant price, nor be heavily indebted, for the solid financial position. In addition, we have embarked on the strategic transformation for asset-light business since 2014. However, we may not be immune from the severe market environment. Affected by policies such as price restriction, some projects of the Company have suffered losses, when our determination to reduce our debts has also exerted pressure on our cash flow to a certain extent. Fortunately, our prudence and self-discipline over the years has been helpful for us to weather the most difficult year. Recollecting the past, we understand that survival means successful.

As a green development service provider, research and development and construction capabilities for green buildings are the foundation of the Company. Landsea persistently focuses on green products differentiation to enhance its position as a green brand. As of the end of 2021, we had built over 150 green residential projects in 36 cities across the PRC with a green residential development area of over 25 million sq.m. Currently, the Company has obtained a total of 98 green building certifications in the PRC, of which 52, representing the majority, were green building three-star certifications. The first green building three-star certification in 9 cities, including Shanghai, Nanjing, Hangzhou and Suzhou, were obtained by Landsea. In addition, we have also obtained 21 international certifications for excellent green buildings, including BREEAM and LEED. At present, there are over 77,000 users in the PRC living in Landsea's technological residences.

Since the debut of “Ark of Freedom (自由方舟)”, a green healthy residence, as a new generation of products of Landsea in 2020, it has been launched throughout 16 cities in the PRC with over 8,279 sets of residence launched.

In 2021, Landsea secured a total of 15 projects in cities such as Tianjin, Chongqing, Wuhan, Suzhou, Xi'an and Zhongshan, with an additional saleable value of approximately RMB31.45 billion and an additional saleable area of approximately 1.77 million sq.m.. As of 31 December 2021, the accumulated saleable value in the PRC amounted to approximately RMB77.33 billion, more than 60% of which were from first-tier and new first-tier cities and more than 70% of which were from the Yangtze River Delta and the Greater Bay Area.

Over the years, Landsea has been exploring the path of transforming from a traditional asset-heavy housing model to an asset-light model. We not only wish to become a branded service provider with light-asset operation capability, but also wish our investment capability to be of a certain level, such that our revenue level could be improved through quality joint venture projects with minority interests. Today, such exploration has begun to bear fruit.

For 2021, 12 new project development and management services (“**Project Management Services**”) projects were acquired in the PRC, realizing a contracted sales from Project Management Services of approximately RMB981 million with a year-on-year increase of approximately 9%. The additional saleable area of the Project Management Services projects was approximately 1.53 million sq.m. with its saleable value reaching approximately RMB25.86 billion with a year-on-year increase of approximately 18%. Meanwhile, the gross profit margin of Project Management Services business maintained at a relatively high level of approximately 40%. As of 31 December 2021, we provided a total of 83 Project Management Services and development projects with minority interests, with a total saleable area of approximately 3.78 million sq.m. and an estimated saleable value of approximately RMB70.62 billion representing approximately 91% of the total saleable value for the China region.

## *Real Estate Business in the United States*

Due to the continuous widespread of the pandemic and the extreme shortage of housing supply, the housing sales in the United States peaked in 2021 for the past 15 years, and the average selling price for new houses increased by approximately 20%, with the fastest growth in the high-growth markets in the western and southern regions. Since the acquisition of Vintage Estate Homes, a homebuilder, in April 2021, by which, we entered the markets of the states of Florida and Texas, and given the states of California and Arizona which have been our focus for long, Landsea Homes sold 1,640 sets of residences in these four fast-growing markets in 2021, assisting in boosting the total revenue of our business in the United States to over the US\$1 billion. The rapid increase in selling prices has also offset the increase in raw material prices and the labour costs, resulting in a significant increase in profit margin.

During the period under review, the saleable areas of new projects of Landsea Homes in California, Arizona, Texas and Florida were approximately 950,000 sq.m. with the saleable value of approximately RMB15.04 billion, representing a year-on-year increase of approximately 126.3%. As of 31 December 2021, the accumulated saleable value in the United States was approximately RMB21.09 billion, of which more than 35% was for California, approximately 30% for Arizona, and nearly 30% for Florida and Texas.

## **OUTLOOK**

In the past 20 years, although the real estate industry in the PRC was in full swing, affected by the inherent mindset, most of the companies are only engaged in residential development, and repeatedly adhere to the business model of land acquisition and development and residence sales. However, there are different modes in the real estate market including retail, wholesale and investment of residence, public building and new housing and existing housing. Different business may have different requirements on areas such as technical capabilities, customer service capabilities, financial strength and resource acquisition of the companies. For developers of excellent quality, market segmentation and in-depth development will undoubtedly bring room for development and opportunities.

For the real estate industry in the PRC, after more than 20 years of development, the problem of housing shortage has been fundamentally alleviated. In the future, the industry will develop towards a more healthy, comfortable, eco-friendly and low-carbon direction, and its orientation will shift from the original new housing market to the existing housing market, with the co-existence of the two. The rapid-cycle model with financial orientation will be eliminated, with the focus returning to residence, life and quality. In the new era, previous experience of and exploration by Landsea will show its foresight and lay a solid foundation for successful transformation.

Landsea positions itself as a service provider of green development and also a “real estate investment bank + green builder”. The former means the ability of resource integration and matching, while the latter focuses on the application of green building technology in the residential and the public building sectors. Such positional change has not only affected the market and customers, but also meant a series of adjustments on areas such as the organizational structure, talent composition, incentive mechanism and financial model of the Company. Landsea is fortunate to be a pioneer in exploring diversified development of market, and has much experience in fields such as green building and renovation for the existing buildings. We shall continue to work hard to improve our capabilities for development in the market segments.

Since 2014, we have been realizing our strategic transformation to product differentiation, asset-light transformation and revenue diversification, and 2022 is a decisive year for completing the transformation and for leaping. When competing in the industry, we focus on disposing of distressed assets and on our core business of quality. We will also launch an option incentive plan for the management and core team to fully motivate the team. Meanwhile, the Company has decided to change its name to “Landsea Green Management Limited” (朗詩綠色管理有限公司) at an appropriate time during the year, so as to more accurately reflect the strategic positioning of becoming a green development service provider and allow itself to be differentiated from the typical “domestic real estate stock”. Adhering to our original dream of green, low-carbon and sustainable development, Landsea shall move into a new stage of industry development with a new face after streamlining. I am confident in the transformation, upgrading and sustainability of the Company as well as our development in the future market.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### *Overall performance of the Group*

The Group upheld the development strategy of “Product-differentiation, Asset-light transformation and Revenue-diversification” and leveraged its resource endowments to further achieve capability of green property products differentiation. Meanwhile, with the advantages of products diversification, the Group actively expanded various projects focusing on minority interests and Project Management Services to achieve revenue diversification.

With years of exploration and persistence in the business model of asset-light, the Group has effectively reduced its reliance on financial leverage and responded to the complex changes in the industry in a lighter manner, which highlighted its strong risk resistance capability amid the in-depth adjustment period of the industry.

In 2021, “Landsea Products” recorded contracted sales of approximately RMB47.15 billion (including the contracted sales of approximately RMB46.98 billion from the Group and a small amount of remaining projects of Landsea Group) (2020: approximately RMB41.19 billion). The contracted GFA of 2,635,383 sq.m. (including 2,627,549 sq.m. from the Group and a small amount of remaining projects of Landsea Group) (2020: 2,333,585 sq.m.), representing an increase of approximately 12.9% as compared with 2020.

In 2021, the Group secured 59 projects, of which 15 were in the PRC and 44 were in the United States, all of the projects were under development for sale (including 47 projects in which the Group held equity interests and 12 Project Management Services projects).

In 2021, the Group recorded an increase in the new project saleable area of 2,719,499 sq.m., which were properties under development for sale, with expected new project saleable value of approximately RMB46.48 billion, in which new project saleable area of 1,186,443 sq.m. and expected new project saleable value of approximately RMB20.62 billion are recorded from the new project the Group held interest respectively. According to the Company’s attributable equity interest in the new project, the Group recorded a new project saleable area of 1,154,345 sq.m. as well as expected new project saleable value of approximately RMB19.63 billion. During the period under review, the Group obtained new Project Management Services projects with GFA of 2,203,528 sq.m. (saleable area of 1,533,056 sq.m.) and expected saleable value of approximately RMB25.86 billion. By adhering to a consistently stable and prudent investment strategy, the Group’s costs for acquiring land and asset have significant advantage in resisting the market risk in the future.

In 2021, the Group had project reserves with saleable area of 5,385,054 sq.m. and expected saleable value of approximately RMB98.43 billion, in which saleable area of 2,457,752 sq.m. and expected saleable value of approximately RMB42.27 billion secured for the equity-held projects, with saleable area of 1,712,954 sq.m. and expected saleable value of approximately RMB30.17 billion attributable to the Group. The Group had also acquired a total of 52 Project Management Services projects, with saleable area of 2,927,302 sq.m. and expected saleable value of approximately RMB56.16 billion. The Group held the leased properties with total GFA of 192,681 sq.m. and the equity-held projects with GFA of 105,367 sq.m..

### **Business development in the PRC**

For expansion of real estate development in the PRC, Landsea continued to take a prudent and pragmatic approach. During the year ended 31 December 2021, the Group secured a total of 15 projects in cities such as Tianjin, Chongqing, Wuhan, Suzhou, Wuxi, Changzhou, Zhongshan, Jinhua, Taizhou and Zhangzhou with an additional saleable area of 1,770,000 sq.m. and saleable value of approximately RMB31.45 billion, of which 12 projects were Project Management Services projects with saleable area of 1,530,000 sq.m. and saleable value of approximately RMB25.86 billion. Meanwhile, the new Project Management Services contracts amounted to approximately RMB981 million (2020: RMB900 million), representing an increase of approximately 9% over 2020.

### **Business development in the United States**

The Group's property development business covers both the PRC and the United States. Landsea Homes has successively entered Greater New York, California and Arizona, and successfully entered Texas and Florida in 2021. In 2021, Landsea Homes secured 44 new projects in California, Arizona, Texas and Florida with additional saleable area of approximately 950,000 sq.m. and saleable value of approximately RMB15.04 billion.

### **Contracted sales in which the Group held equity interests and properties sold but not recognised**

In 2021, the total contracted sales of the property projects in which the Group held equity interests amounted to approximately RMB21.56 billion with contracted sales area of 1,246,580 sq.m., i.e. an average selling price of RMB17,296 per sq.m.. The contracted sales were mainly from the on-sale projects in Shanghai, Tianjin, Chongqing, Chengdu, Nanjing, Hangzhou, Wuhan, Suzhou, Wuxi, Hefei, Jiaxing and Zhongshan, etc. in the PRC and first tier and second tier gateway cities in the United States. As at 31 December 2021, the Group's accumulated areas of properties sold but not recognised were 2,497,779 sq.m. (31 December 2020: 2,681,693 sq.m.), amounting to approximately RMB40.86 billion (31 December 2020: approximately RMB43.65 billion), in which areas of properties sold but not recognised attributable to the Group were 1,132,397 sq.m. (31 December 2020: 1,080,907 sq.m.), amounting to approximately RMB18.67 billion (31 December 2020: approximately RMB17.41 billion).

## External contracts in 2021

Number	Projects	Equity Holding	Contracted	Contracted	Average
			Sales Amounts (RMB'000)	Sales GFA# (sq.m.)	Contracted Sales Selling Price (RMB)
1	Nanjing Youth Block	100%	2,174	–	–
2	Nanjing Poly Landsea Weilan	50%	27,358	847	32,300
3	Nanjing Xihua Mansion	19%	124,871	2,917	42,808
4	Nanjing Zixi Mansion	20%	1,207,533	79,562	15,177
5	Suqian Weilan Court	51%	5,490	–	–
6	Suqian Weilan Elegant Yard	51%	24,046	1,309	18,370
7	Hefei Landsea's Hi-tech Court	49%	166,371	7,821	21,272
8	Shangshi Landsea Future Block	100%	19,209	–	–
9	Shanghai The Course of The Future	100%	38,492	1,242	30,992
10	Shanghai Changfenghui Silver Premier	100%	67,227	1,529	43,968
11	Wuxi Tiancu	100%	4,502	200	22,510
12	Suzhou Green County of Taihu	55%	6,405	356	17,992
13	Wuxi Luka Small Town	100%	41,487	4,166	9,958
14	Suzhou Oasis Elegant Court	20%	1,229	93	13,215
15	Yixin Xindu Mansion	26%	16,581	–	–
16	Suzhou Blue Square	51%	179,923	16,691	10,780
17	Suzhou Cheng Garden	100%	6,973	–	–
18	Suzhou Wuyue Xihua Elegant Court	15%	14,825	543	27,302
19	Wuxi Xihua Mansion	40%	112,528	3,254	34,581
20	Changshu Shangjing Mingzhu	11%	292,194	11,193	26,105
21	Zhangjiagang Le Mansion	50%	1,397,984	65,916	21,209
22	Hangzhou Xihua Mansion	49%	15,850	–	–
23	Hangzhou Le Mansion	50%	45,095	369	122,209
24	Hangzhou Light of City	40%	18,788	–	–
25	Hangzhou Linglongyue	30%	166,055	7,230	22,967
26	Haining Oasis Jing Yuan	20%	1,325,416	96,714	13,704
27	Wuhan Xihua Mansion	30%	1,375,859	51,504	26,714
28	Changsha Lu Island Project	1%	85,422	13,657	6,255
29	Chengdu Muhua Road Project	5%	970,143	72,361	13,407
30	Chengdu Xihua Mansion	33%	69,152	2,900	23,846
31	Chongqing Le Mansion	30%	1,092,821	76,972	14,198
32	Chengdu Landsea Cuiyue	50%	19,759	1,636	12,078
33	Chengdu Shanglin Xihua Mansion	33%	891,498	59,410	15,006
34	Chengdu Future Zhe	50%	1,365,123	125,632	10,866
35	Chengdu Le Mansion	76%	611,604	23,507	26,018
36	Chengdu XihuaTianxi	60%	944,904	32,331	29,226

Number	Projects	Equity Holding	Contracted	Contracted	Average
			Sales Amounts (RMB'000)	Sales GFA# (sq.m.)	Contracted Sales Selling Price (RMB)
37	Mianyang Jiangyu Bay	60%	662,769	57,651	11,496
38	Landsea Golden Mansion Future Block	51%	508,099	58,647	8,664
39	Tianjin Emerald Lan Wan	75%	6,087	–	–
40	Tianjin Cuiweilan Pavilion	35%	130,056	7,677	16,941
41	Xi'an Future Block	100%	70,725	1,746	40,507
42	Zhongshan Landsea Dezhou Shangjun	43%	368,946	21,922	16,830
43	14th & 6th	95%	326,799	2,138	152,853
44	Alamar	100%	132,119	11,152	11,847
45	Avora	51%	286,881	5,047	56,842
46	Bayridge	100%	17,511	1,742	10,052
47	Belle Oaks	100%	23,399	1,338	17,488
48	Catalina	100%	325,332	6,577	49,465
49	Centerra	100%	139,922	10,171	13,757
50	Country Club Lakes Estates	100%	136,575	6,871	19,877
51	Crestley	100%	71,591	2,532	28,274
52	Eastmark	100%	16,261	960	16,939
53	Ellis Town Country	100%	709,290	29,224	24,271
54	Estrella	100%	88,315	5,726	15,424
55	Georgiana Reserve	100%	100,638	5,749	17,505
56	Germann Country Garden Estates	100%	7,318	495	14,784
57	Halifax Plantation	100%	16,317	984	16,582
58	Halifax Plantation-Bulow	100%	50,182	3,468	14,470
59	Harvest Queen Creek	100%	145,461	10,261	14,176
60	Heathrow Country Estate Homes	100%	73,023	5,466	13,359
61	Heritage Pointe	100%	4,586	235	19,515
62	Heron Creek	100%	39,050	2,237	17,456
63	Iron Ridge	100%	504,133	15,135	33,309
64	Lavender	100%	89,226	1,223	72,957
65	North Central Phoenix (Madison Town & Country)	100%	138,084	5,376	25,685
66	North Copper Canyon	100%	273,595	20,958	13,054
67	Northern Farms	100%	133,554	8,995	14,848
68	Novato	100%	38,572	1,111	34,718
69	Ontario Vander Eyk	100%	538,420	20,811	25,872
70	Orinda	100%	306,853	5,837	52,570
71	Palm Bay	100%	175,399	14,917	11,758
72	Palm Coast	100%	82,756	5,089	16,262
73	Park Forest	100%	36,175	3,237	11,175

Number	Projects	Equity Holding	Contracted Sales Amounts (RMB'000)	Contracted Sales GFA# (sq.m.)	Average Contracted Sales Selling Price (RMB)
74	Poinciana	100%	3,482	292	11,925
75	Saratoga Hills	100%	23,359	1,856	12,586
76	Sonora Crossing	100%	28,412	1,979	14,357
77	South Carpenter Estates	100%	17,737	821	21,604
78	St. Johns Preserve	100%	81,541	7,575	10,764
79	Stone Creek Ranch	100%	21,532	1,482	14,529
80	Sundance	100%	112,636	9,170	12,283
81	Sunrise Ranch	100%	5,930	406	14,606
82	Sunset Farms	100%	104,525	6,941	15,059
83	Tevelde	100%	1,025,275	50,822	20,174
84	The Canyons	100%	6,856	657	10,435
85	The Westerly	100%	41,390	1,551	26,686
86	Verrado	100%	357,503	22,150	16,140
87	Vintage Oaks	100%	47,665	3,577	13,325
88	West Pointe	100%	136,809	11,486	11,911
89	Woods of Lake Helen	100%	16,797	1,248	13,459
	Equity-held projects entered into by HK106		<u>21,560,359</u>	<u>1,246,580</u>	<u>17,296</u>

# Contracted sales GFA does not include parking space.

## Project reserves

As at 31 December 2021, the Group had project reserves with saleable area of 5,385,054 sq.m. and expected saleable value of approximately RMB98.43 billion. In terms of equity interests, saleable area attributable to the Group was 1,712,954 sq.m. and expected saleable value was approximately RMB30.17 billion. The Group had also acquired a total of 52 Project Management Services projects, with saleable area of 2,927,302 sq.m. and expected saleable value of approximately RMB56.16 billion.

## Accumulated land reserve at the end of 2021

Number	Project	Equity Holding	GFA for				Value Sold (RMB'000)	GFA Sold (sq.m.)	Saleable Value (RMB'000)	Saleable GFA (sq.m.)
			Total GFA (sq.m.)	Developed GFA (sq.m.)	Developing GFA (sq.m.)	future development (sq.m.)				
1	Shanghai Future Block	100.0%	233,791	233,791	-	-	2,844,047	149,587	78,851	-
2	Nanjing Youth Block	100.0%	314,894	314,894	-	-	2,929,612	245,414	66,034	-
3	Nanjing Future Home	50.1%	133,530	133,530	-	-	959,822	109,579	14,970	-
4	Suzhou Green County of Taihu	55.0%	438,677	438,677	-	-	5,649,294	327,161	743	120
5	Wuxi Luka Small Town	100.0%	139,689	133,919	-	5,770	742,774	97,527	23,194	1,787
6	Nanjing Xihua Mansion	19.0%	201,116	201,116	-	-	5,676,051	152,473	16,470	-
7	Hangzhou Xihua Mansion	49.0%	139,152	139,152	-	-	4,339,390	88,760	46,440	-
8	Hangzhou Le Mansion	50.0%	80,602	80,602	-	-	2,665,487	54,838	14,110	-
9	Tianjin Emerald Lan Wan	75.0%	142,156	142,156	-	-	1,557,944	108,563	3,314	-
10	Tianjin Cuiweilan Pavilion	35.0%	157,140	109,469	47,671	-	1,615,568	111,965	38,506	-
11	Shanghai Changfenghui Silver Premier	100.0%	18,875	18,875	-	-	956,802	18,406	4,500	-
12	Wuhan Xihua Mansion	30.0%	140,553	-	140,553	-	1,436,859	53,132	1,528,359	44,839
13	Chengdu Xihua Mansion	33.0%	367,753	367,753	-	-	4,356,195	233,494	448,826	21,917
14	Hefei Landsea's Hi-tech Court	49.0%	127,241	33,395	93,846	-	1,867,269	91,024	117,714	2,217
15	Chengdu Landsea Cuiyue	50.0%	30,316	30,316	-	-	151,103	11,228	111,187	11,297
16	Hefei Feidong Jade Garden	10.0%	57,398	-	57,398	-	147,220	8,584	365,935	31,838
17	Yixing Xindu Mansion	26.0%	220,045	171,171	48,874	-	1,619,231	163,519	13,855	-
18	Suqian Weilan Court	51.0%	224,621	81,544	143,077	-	1,601,538	160,783	46,381	-
19	Suqian Weilan Elegant Court	51.0%	200,522	77,828	122,694	-	1,470,113	138,807	44,677	-
20	Chongqing Le Mansion	30.0%	397,049	216,980	115,669	64,400	4,082,147	260,606	712,889	9,331
21	Nanjing Zixi Mansion	20.0%	209,504	90,685	118,819	-	2,435,402	150,003	122,000	1,150
22	Suzhou Cheng Garden	100.0%	12,450	12,450	-	-	277,453	6,999	6,667	176
23	Hangzhou Linglongyue	30.0%	161,440	-	77,230	84,210	166,055	7,230	2,071,515	84,868
24	Chengdu Golden Mansion Future Block	51.0%	384,307	196,017	188,290	-	2,085,561	287,548	168,750	-
25	Chengdu Shanglin Xihua Mansion	33.3%	265,576	-	265,576	-	2,752,907	192,347	295,880	-
26	Kunshan Langlu Garden	51.0%	43,362	-	43,362	-	666,260	26,337	-	-
27	Shijiazhuang Future Block	25.5%	166,336	-	166,336	-	1,079,183	124,875	121,200	-
28	Nanjing Wangjiawan Project	60.0%	136,671	-	121,469	15,202	-	-	1,873,557	72,483
29	Xi'an Future Block	100.0%	85,111	-	85,111	-	795,057	57,089	3,895	-
30	Chengdu Future Zhe	50.0%	216,938	-	190,319	26,619	2,631,172	167,049	256,926	23,461
31	Wuxi Xihua Mansion	40.0%	214,960	63,428	151,532	-	3,657,510	141,400	288,142	4,376
32	Zhongshan Landsea Dezhou Shangjun	43.5%	80,160	-	80,160	-	905,026	56,994	41,520	-
33	Chengdu Le Mansion	75.6%	124,114	-	124,114	-	2,189,075	84,006	150,181	-
34	Chengdu Xihua Tianxi	60.0%	190,204	58,556	131,648	-	3,446,030	124,241	168,705	140
35	Changshu Shangjing Mingzhu	11.0%	48,292	-	48,292	-	824,959	32,248	29,444	-
36	Zhangjiagang Le Mansion	50.1%	123,028	-	123,028	-	1,864,299	87,379	72,455	202

Number	Project	Equity Holding	Total GFA (sq.m.)	GFA for			Value Sold (RMB'000)	GFA Sold (sq.m.)	Saleable Value (RMB'000)	Saleable GFA (sq.m.)
				Developed GFA (sq.m.)	Developing GFA (sq.m.)	future development (sq.m.)				
37	Haining Oasis Jing Yuan	20.1%	314,250	73,291	240,959	-	1,791,201	132,207	1,736,044	92,414
38	Mianyang Jiangyu Bay	60.0%	115,409	-	115,409	-	662,769	57,651	459,408	26,436
39	Tianjin Le Mansion	100.0%	196,742	-	178,809	17,933	-	-	2,837,210	135,461
40	Chongqin Xiyue Mansion	100.0%	95,605	-	-	95,605	-	-	1,644,440	66,325
41	Wuxi Industrial Fabric Factory Project	10.0%	53,041	-	-	53,041	-	-	1,103,520	35,664
42	Chengdu Muhua Road Project	4.9%	1,022,400	1,022,400	-	-	4,507,633	266,378	4,022,868	457,800
43	Changsha Lu Island Project	1.0%	266,216	80,301	112,098	73,817	1,035,522	162,644	3,480	-
44	Chongqing Future Times	0.0%	188,273	18,863	169,410	-	989,136	125,722	113,096	235
45	Nanjing Mountain and Juzhu Mansion	0.0%	124,989	-	124,989	-	1,259,690	47,814	1,096,420	38,882
46	Nanjing Jiufeng Lanting	0.0%	102,630	20,656	81,974	-	-	-	2,546,455	75,324
47	Nanjing Landsea Linglongjun	0.0%	134,633	88,422	46,211	-	2,640,507	101,055	-	-
48	Chengdu Hefeng Yinyue	0.0%	39,514	-	39,514	-	489,777	25,933	73,633	-
49	Wenling Qichen Court	0.0%	40,624	-	40,624	-	-	-	721,930	27,913
50	Nanjing Haiyue Metropolis	0.0%	278,748	278,748	-	-	9,610,126	205,953	25,465	-
51	Nanjing Landsea Golden Elephant Mangrove	0.0%	307,241	230,001	77,240	-	6,077,087	217,813	-	-
52	Nanjing Jiulong Xi'an Plot C	0.0%	76,516	-	76,516	-	1,283,729	40,803	19,520	569
53	Nanjing Jiulong Xi'an Plot A/B	0.0%	180,538	180,538	-	-	2,728,965	105,526	458,931	19,802
54	Hefei Wanxin Landsea Green County	0.0%	148,441	148,441	-	-	1,332,040	102,268	10,405	655
55	Wuxi Landsea New County	0.0%	297,136	-	297,136	-	3,123,125	82,292	1,064,139	108,836
56	Century Landsea Green County in Yancheng Dongtai	0.0%	200,269	36,248	88,687	75,334	1,968,829	156,984	61,332	2,181
57	Nanjing G68 Project	0.0%	263,294	102,839	160,455	-	3,966,279	60,126	6,533,721	89,874
58	Zhangjiakou Dongshanyue	0.0%	134,908	-	134,908	-	599,951	85,593	411,505	14,424
59	Nanjing Jiangning G45 Project	0.0%	142,633	60,000	82,633	-	2,057,325	62,881	545,394	42,120
60	Wuhan West Coast	0.0%	171,838	171,838	-	-	1,088,298	98,521	189,520	11,433
61	Rugao Xihua Mansion	0.0%	292,587	73,658	218,929	-	3,228,260	220,997	230,107	29,089
62	Suzhou Feiniaoji	0.0%	281,829	-	61,073	220,756	1,133,398	96,603	351,452	1,347
63	Changzhou Xihua Mansion	0.0%	140,833	126,308	14,525	-	2,381,002	101,301	99,360	-
64	Chengdu Yaolongwan	0.0%	188,652	-	188,652	-	428,230	61,845	379,320	44,881
65	Chengdu Guanshanyue	0.0%	191,853	-	191,853	-	1,169,079	108,310	26,265	-
66	Xi'an Huyuq	0.0%	28,835	-	28,835	-	325,016	20,018	-	-
67	Beijing Jianguo Apartment Project	0.0%	22,483	-	22,483	-	-	-	1,110,000	12,885
68	Kaifeng Bianjing Xihua Mansion	0.0%	278,468	-	278,468	-	827,859	88,241	1,390,727	123,972
69	Chengdu Tianfu Green County	0.0%	276,000	-	276,000	-	1,622,161	136,850	58,600	-
70	Suzhou Hefeng Xihua Elegant Court	0.0%	185,379	-	185,379	-	4,317,967	131,524	249,600	-
71	Xianyang Weichengfu	0.0%	394,474	-	223,452	171,022	1,877,170	177,220	1,236,272	102,928
72	Nantong Haiyingli	0.0%	86,399	-	41,827	44,572	588,450	63,872	49,338	2,882
73	Suzhou Shangjun	0.0%	133,529	-	133,529	-	-	-	2,013,200	92,105
74	Suzhou Siji Yunjing Huating	0.0%	72,615	-	72,615	-	100,522	3,981	596,738	20,903
75	Yixing Guanlin Project	0.0%	92,508	-	-	92,508	-	-	451,830	61,620
76	Jiangyin Linggang Plot B	0.0%	102,120	-	102,120	-	-	-	908,750	77,992
77	Wuxi Yuculi	0.0%	125,904	-	125,904	-	1,419,698	79,914	39,780	-
78	Suzhou Zhong'ou Alumni Project	0.0%	91,500	-	91,500	-	411,836	19,099	53,633	-
79	Suzhou Le Mansion	0.0%	155,409	-	155,409	-	-	-	3,088,470	99,609
80	Jinhua Taoyuanli	0.0%	162,643	-	162,643	-	1,068,605	87,337	352,175	21,898
81	Ningbo Hangzhouwan Project	0.0%	217,847	-	21,609	196,238	15,896	1,244	2,188,374	163,954
82	Tianjin Wuqing Lanhuajun	0.0%	77,762	-	-	77,762	-	-	981,000	93,143
83	Xi'an Le Mansion	0.0%	68,284	-	68,284	-	213,973	12,287	753,267	31,394
84	Huizhou Luyuan Project	0.0%	139,615	-	139,615	-	-	-	2,179,500	94,390
85	Zhangzhou Changtai Project	0.0%	100,908	-	-	100,908	-	-	1,074,830	55,772
86	Dongyang Lakeside Residence	0.0%	414,978	-	187,634	227,344	405,703	34,886	3,052,818	226,974

Number	Project	Equity Holding	Total GFA (sq.m.)	GFA for			Value Sold (RMB'000)	GFA Sold (sq.m.)	Saleable Value (RMB'000)	Saleable GFA (sq.m.)
				Developed GFA (sq.m.)	Developing GFA (sq.m.)	future development (sq.m.)				
87	Zhongshan Xincheng	0.0%	697,559	-	226,256	471,303	-	-	7,604,380	510,248
88	Wuhan Caidian Electrical Appliance Factory Project	0.0%	79,590	-	79,590	-	-	-	806,480	56,069
89	Suzhou Xihua Mansion	0.0%	98,296	-	98,296	-	-	-	1,690,340	67,189
90	Huaian Shiguangli	0.0%	33,287	-	33,287	-	19,449	2,189	127,009	14,454
91	Changzhou Long Chen No.1	0.0%	251,018	-	251,018	-	1,215,521	48,006	4,432,969	133,450
92	Xi'an Chanba 727 Project	0.0%	117,593	-	-	117,593	-	-	2,480,560	76,045
93	Tianchang Yongjin Mansion	0.0%	157,138	-	47,138	110,000	-	-	731,680	104,384
94	Lianshui Shuiian Chengbang Project	0.0%	173,366	-	173,366	-	-	-	1,041,080	144,555
95	Suzhou Wujiang Shengze Project	0.0%	39,171	-	39,171	-	-	-	456,320	30,922
96	14th & 6th	95.0%	7,550	-	7,550	-	322,307	2,138	666,126	4,952
97	Alamar	100.0%	16,151	9,397	6,566	188	183,693	16,151	-	-
98	Alameda Marina	100.0%	35,197	-	-	35,197	-	-	1,400,150	35,197
99	Anthem	100.0%	198,747	-	-	198,747	-	-	3,286,689	198,750
100	Avora	51.0%	31,776	31,776	-	-	1,360,318	23,467	19,839	362
101	Bayridge	100.0%	5,506	5,180	326	-	57,362	5,506	-	-
102	Belle Oaks	100.0%	3,326	-	665	2,661	23,076	998	19,371	2,328
103	Bentridge	100.0%	51,335	-	-	51,335	-	-	477,779	51,335
104	Centerra	100.0%	45,047	20,991	17,803	6,253	324,698	28,459	139,365	16,588
105	Citrus Park	100.0%	122,487	-	-	122,487	-	-	1,083,388	122,487
106	Country Club Estates	100.0%	13,898	-	-	13,898	-	-	167,465	13,898
107	Country Club Lakes Estates	100.0%	66,600	1,318	2,858	62,424	169,557	12,322	882,820	54,278
108	Courtyards at Waterstone	100.0%	14,953	-	-	14,953	-	-	131,150	14,953
109	Eagle Crest	100.0%	26,820	-	-	26,820	-	-	352,366	26,820
110	Eastmark	100.0%	67,833	8,501	4,316	55,016	85,928	8,501	766,251	59,332
111	Eber Cove	100.0%	1,057	1,057	-	-	13,061	1,057	-	-
112	El Cidro	100.0%	356,885	280,681	-	76,204	348,162	280,681	789,308	76,204
113	Ellis Town Country	100.0%	75,674	3,989	16,576	55,109	692,691	28,910	610,228	46,764
114	Encanta	100.0%	14,668	9,618	5,050	-	118,523	14,668	-	-
115	Estrella	100.0%	32,909	7,382	10,131	15,396	130,478	10,431	214,620	22,477
116	Gardens Waterstone	100.0%	9,757	-	-	9,757	-	-	122,464	9,757
117	Georgiana Reserve	100.0%	8,146	1,700	2,220	4,226	111,892	6,657	11,261	1,488
118	Halifax Plantation	100.0%	1,412	1,412	-	-	13,206	1,218	2,861	194
119	Halifax Plantation-Bulow	100.0%	14,000	-	1,372	12,628	49,492	3,843	167,214	10,157
120	Harvest Queen Creek	100.0%	19,932	12,014	6,913	1,005	259,506	19,932	-	-
121	Heathrow Country Estate Homes/Red Tail	100.0%	10,590	527	1,543	8,520	94,532	6,826	62,026	3,764
122	Heritage Pointe	100.0%	1,855	1,855	-	-	20,534	1,855	-	-
123	Heron Creek/Grand Lakes	100.0%	4,198	2,968	1,230	-	73,008	4,198	-	-
124	Iron Ridge	100.0%	143,457	139,706	3,333	418	3,038,914	141,056	23,432	2,401
125	Lavender	100.0%	15,738	-	3,603	12,135	88,000	1,223	979,930	14,515
126	Lincoln 65—Nolin	100.0%	10,175	-	-	10,175	-	-	264,512	10,175
127	Marbella	100.0%	348	348	-	-	3,566	348	-	-
128	Monarch Hills	100.0%	113,194	-	-	113,194	-	-	2,247,730	113,194
129	Montecito Townhomes	100.0%	4,545	4,545	-	-	54,705	4,545	-	-
130	North Central Phoenix (Madison Town & Country)	100.0%	10,124	1,368	8,756	-	112,929	4,418	107,097	5,706
131	North Copper Canyon	100.0%	90,196	70,964	14,690	4,542	887,249	83,750	32,966	6,446
132	North Copper Canyon (3.1&3.2)	100.0%	34,645	-	-	34,645	-	-	397,398	34,645
133	North Copper Canyon (3.3)	100.0%	25,381	-	-	25,381	-	-	330,453	25,381
134	Northern Farms	100.0%	52,142	733	14,362	37,047	125,444	8,493	328,165	43,650
135	Novato	100.0%	10,628	-	3,682	6,946	38,042	1,111	333,075	9,517
136	Offsite MEL	100.0%	225	225	-	-	2,261	225	-	-

Number	Project	Equity Holding	GFA for				Value Sold (RMB'000)	GFA Sold (sq.m.)	Saleable Value (RMB'000)	Saleable GFA (sq.m.)
			Total GFA (sq.m.)	Developed GFA (sq.m.)	Developing GFA (sq.m.)	future development (sq.m.)				
137	Offsite TX	100.0%	971	647	324	-	9,036	971	-	-
138	Ontario Vander Eyk	100.0%	47,074	14,375	17,936	14,763	521,271	20,457	381,022	26,617
139	Orinda	100.0%	9,131	7,656	1,475	-	468,201	9,131	-	-
140	Palm Bay	100.0%	31,421	3,223	5,110	23,088	208,570	24,039	79,223	7,382
141	Palm Coast	100.0%	10,837	1,548	1,742	7,547	74,557	6,795	36,480	4,042
142	Palm Garden Lakes	100.0%	1,724	1,724	-	-	19,140	1,724	-	-
143	Park Forest	100.0%	42,583	42,338	245	-	405,100	42,583	-	-
144	Placentia Heights	100.0%	15,786	-	-	15,786	-	-	523,320	15,786
145	Poinciana	100.0%	1,168	292	-	876	3,421	292	5,289	877
146	Saratoga Hills (Key Ranch)	100.0%	3,015	3,015	-	-	5,139	3,015	-	-
147	Sarival Farm	100.0%	17,361	-	-	17,361	-	-	263,641	17,361
148	South Carpenter Estates	100.0%	3,622	199	1,222	2,201	43,732	3,622	-	-
149	St. Johns Preserve	100.0%	13,819	2,554	4,457	6,808	79,311	7,011	325,743	6,808
150	Stone Creek Ranch	100.0%	2,274	-	568	1,706	16,979	650	27,585	1,625
151	Sundance	100.0%	30,148	29,380	768	-	320,628	30,148	-	-
152	Sunrise Ranch	100.0%	99,809	-	14,252	85,557	-	-	936,685	99,809
153	Sunset Farms	100.0%	28,419	-	9,760	18,659	103,035	6,941	147,115	21,478
154	Synagogue	90.0%	4,552	1,141	3,411	-	-	-	540,459	3,412
155	Tevelde	100.0%	115,465	87,501	19,804	8,160	1,803,657	101,416	180,801	14,048
156	The Canyons	100.0%	607	-	607	-	11,312	607	-	-
157	The Groves	100.0%	13,712	-	-	13,712	-	-	146,601	13,712
158	The Junction	100.0%	16,914	-	-	16,914	-	-	173,394	16,914
159	Thousand Oaks	100.0%	363	-	363	-	2,977	363	-	-
160	Tirado	100.0%	21,333	-	-	21,333	-	-	666,310	21,333
161	Verrado	100.0%	91,328	53,329	26,018	11,981	928,916	74,579	162,209	16,748
162	Vintage Oaks	100.0%	10,107	979	1,956	7,172	84,679	3,260	67,304	6,846
163	Vistancia	100.0%	557	-	-	557	-	-	7,631	557
164	West Pointe	100.0%	51,844	49,308	2,389	147	559,501	51,844	-	-
165	Woods of Lake Helen	100.0%	5,005	932	1,362	2,711	57,205	4,625	4,475	380
<b>Total</b>			<u>19,553,949</u>	<u>6,977,252</u>	<u>8,940,414</u>	<u>3,636,283</u>	<u>156,955,700</u>	<u>8,882,143</u>	<u>98,425,238</u>	<u>5,385,054</u>
<b>Of Which: Subtotal of Equity-held Project</b>			<u>10,751,292</u>	<u>5,440,692</u>	<u>3,579,657</u>	<u>1,730,943</u>	<u>94,971,041</u>	<u>5,867,135</u>	<u>42,267,548</u>	<u>2,457,752</u>
<b>Subtotal of Project Management Services projects</b>			<u>8,802,657</u>	<u>1,536,560</u>	<u>5,360,757</u>	<u>1,905,340</u>	<u>61,984,659</u>	<u>3,015,008</u>	<u>56,157,690</u>	<u>2,927,302</u>

<b>Projects</b>	<b>Equity Holding</b>	<b>Status</b>	<b>Usage</b>	<b>GFA (sq.m.)</b>
Beijing Landsea Tower <sup>△</sup>	50.0%	Completed	Leasing	21,906
Shanghai Huangxing Building	100.0%	Under renovation	Partially leasing	11,427
Shanghai Senlan Apartment <sup>△</sup>	50.0%	Completed	Leasing	43,543
Shanghai Zhangjiang Landsea Center <sup>△</sup>	30.0%	Completed	Leasing	10,489
Shanghai Daning Landsea Tower <sup>△</sup>	50.0%	Completed	Leasing	19,390
2/F, Building 5, Shanghai IBP International Business Park	100.0%	Completed	Leasing	1,000
Guangzhou Jiefang Tower <sup>△</sup>	33.6%	Completed	Leasing	11,507
Nanjing Huafei Apartment	100.0%	Completed	Leasing	5,729
Nanjing Wangjiawan Building	60.0%	Under renovation	Partially leasing	15,118
Nanjing Tianlong Temple Project <sup>△</sup>	30.0%	Completed	Leasing	15,856
Wuxi Neighbourhood Union	100.0%	Completed	Leasing	10,667
Suzhou Blue Square <sup>△</sup>	51.0%	Completed	Leasing	26,049
				192,681

## **FINANCIAL REVIEW**

### **Revenue and gross profit**

For the year ended 31 December 2021, the Group's revenue was mainly derived from Project Management Services of approximately RMB752 million (2020: approximately RMB686 million), from sale of properties of approximately RMB7.32 billion (2020: approximately RMB8.28 billion) and rental and property management fee income of approximately RMB4 million (2020: approximately RMB28 million), which in aggregate was approximately RMB8.08 billion (2020: approximately RMB8.99 billion). The gross profit of the Group was approximately RMB1.67 billion (2020: approximately RMB1.71 billion) and the gross profit margin was approximately 20.7% (2020: approximately 19.0%), representing an increase of 1.7 percentage points as compared with 2020.

<sup>△</sup> The property is held by joint ventures of the Company

## **Recognised sales of properties of subsidiaries**

For the year ended 31 December 2021, the Group recognised revenue of approximately RMB8.08 billion (2020: approximately RMB8.99 billion). In which, the consolidated subsidiaries of the Group recognised revenue from sales of properties and total sales area of approximately RMB7.32 billion (2020: approximately RMB8.28 billion) and 367,434 sq.m. respectively, mainly attributable to Shanghai Future Block and Chengdu Future Home in the PRC, and Tevelde, Iron Ridge, Sanctuary, Catalina, Relevae, West Pointe, Vintage, The Westerly and North Copper Canyon in the United States. The average selling price in the PRC was approximately RMB23,503 (2020: approximately RMB14,179) per sq.m., while the average selling price in the United States was approximately RMB17,699 (2020: approximately RMB16,882) per sq.m..

## **Income from Project Management Services**

Benefiting from the full commencement of “asset-light” strategy of the Group, the Group recorded Project Management Services income of approximately RMB752 million (2020: approximately RMB686 million) for the year ended 31 December 2021. Gross profit margin of Project Management Services income was maintained at 40%.

## **Income from rental and management fee**

For the year ended 31 December 2021, the Group recognised rental and management fee income of approximately RMB4 million (2020: approximately RMB28 million), representing a decrease of approximately 85.5% as compared with 2020. The decrease in rental and management fee income was mainly attributable to the sales of Landsea Tower in Shenzhen at the end of last year.

## **Fair value (losses)/gains**

For the year ended 31 December 2021, the fair value losses of the Group amounted to approximately RMB6 million (2020: gains of approximately RMB81 million). The increase in fair value losses was the combined effect of: (i) the gains on changes in fair value of warrants brought by the acquisition of special purpose acquisition company (“SPAC”) in the United States during the period of approximately RMB14 million; and (ii) the increase in fair value losses on investment properties during the period of approximately RMB20 million (2020: gains of approximately RMB81 million). The Group’s investment properties included Huangxing Building in Shanghai, 2/F, Building 5, Shanghai IBP International Business Park, Huafei Apartment in Nanjing, Wangjiawan Building in Nanjing and Neighbourhood Union in Wuxi located in the PRC. The fair value of investment properties was determined by a competent independent valuer based on the property’s current business model adopted by the Group and its expected income to be generated.

## **Selling expenses**

For the year ended 31 December 2021, the Group recorded selling expenses of approximately RMB486 million (2020: approximately RMB407 million). The increase in selling expenses was attributable to the strengthened stimulating policies to promote sales under the impact of pandemic and market.

## **Administrative expenses**

For the year ended 31 December 2021, the Group recorded administrative expenses of approximately RMB1.28 billion (2020: approximately RMB909 million). The increase in administrative expenses was mainly due to the increase in listing expenses indirectly incurred for the acquisition of SPAC in the United States (approximately RMB377 million) and the increase in the number of staff through the acquisition of Vintage Estate Homes.

## **Net provision for impairment losses on financial assets**

For the year ended 31 December 2021, net provision for impairment loss on financial assets of the Group amounted to approximately RMB275 million (2020: approximately RMB381 million). The Company's net provision for impairment loss on financial assets was provided using the expected credit loss rate for financial assets such as trade and other receivables in accordance with the standard requirement of HKFRS 9 Financial Instruments.

## **Finance cost**

For the year ended 31 December 2021, the Group recorded interest expenses (excluding finance costs recognised for advanced receipts) of approximately RMB629 million (2020: approximately RMB723 million). The capitalisation rate of interest expenses in 2021 was approximately 59.6% (2020: approximately 33.5%). For the year ended 31 December 2021, the expensed finance costs of the Group was approximately RMB254 million (2020: approximately RMB481 million). For the year ended 31 December 2021, the interest income of the Group was approximately RMB90 million (including interest income from amounts due from joint ventures and associates, non-controlling interests and loan to third parties) and the net finance cost was approximately RMB164 million (2020: approximately RMB324 million). For the year ended 31 December 2021, the weighted average finance cost was approximately 7.0% (2020: approximately 7.6%).

## **Taxation**

For the year ended 31 December 2021, the Group recorded taxation charge of approximately RMB189 million (2020: approximately RMB489 million), of which the increase in taxation arose from the acquisition of SPAC in the United States amounted to approximately RMB79 million.

## **(Loss)/profit for the period**

For the year ended 31 December 2021, the Group incurred a net loss of approximately RMB696 million (2020: net profit of approximately RMB33 million), among which, listing expenses, changes in fair value of warrants and tax impact related to the acquisition of SPAC in the United States amounted to approximately RMB450 million (such listing expenses was assessed to be charged to profit or loss in accordance with Hong Kong Financial Reporting Standards, whereas if the assessment was made in accordance with US GAAP or PRC GAAP, such listing expenses would have been recorded in equity and would not have had any impact on profit or loss), exchange losses amounted to approximately RMB109 million, and net provision for impairment loss on financial assets amounted to approximately RMB206 million (net of tax). Excluding the above impact, the adjusted net profit of the Group amounted to approximately RMB70 million.

## **Liquidity and Financial Resources**

### *Cash positions*

As at 31 December 2021, the Group's cash and cash equivalents and restricted cash amounted to approximately RMB4.22 billion (as at 31 December 2020: approximately RMB5.25 billion). As at 31 December 2021, the Group's current ratio (current assets divided by current liabilities) was approximately 1.3 times (as at 31 December 2020: approximately 1.5 times).

### **Indebtedness**

As at 31 December 2021, the total indebtedness of the Group amounted to approximately RMB8.49 billion (as at 31 December 2020: approximately RMB6.55 billion). The indebtedness of the Group primarily consists of shareholder loans, bank borrowings, senior notes and EB-5 financing. As at 31 December 2021, total net debts<sup>#</sup> were approximately RMB4.46 billion (as at 31 December 2020: approximately RMB1.42 billion). As at 31 December 2021, the proportion of short-term debts was approximately 45.2% (as at 31 December 2020: approximately 13.1%) and long-term debts was approximately 54.8% (as at 31 December 2020: approximately 86.9%). Long-term debt of the Company accounted for a greater proportion, maintaining reasonable structure of long-term and short-term debt to facilitate sufficient liquidity.

## Debt analysis:

	<b>31 December 2021</b>		31 December 2020	
	<i>RMB'000</i>	<i>Percentage</i>	<i>RMB'000</i>	<i>Percentage</i>
Analysis of total indebtedness by settlement currency:				
Denominated in RMB	<b>1,568,436</b>	<b>18.47%</b>	1,552,193	23.68%
Denominated in USD	<b>6,921,183</b>	<b>81.53%</b>	5,001,399	76.32%
	<b><u>8,489,619</u></b>	<b><u>100.00%</u></b>	<b><u>6,553,592</u></b>	<b><u>100.00%</u></b>
Analysis of total indebtedness by maturity:				
Within one year	<b>3,839,002</b>	<b>45.22%</b>	856,706	13.07%
Between one and two years	<b>111,292</b>	<b>1.31%</b>	3,000,814	45.79%
Between two and five years	<b>3,816,213</b>	<b>44.95%</b>	1,896,831	28.94%
Over 5 years	<b>723,112</b>	<b>8.52%</b>	799,241	12.20%
	<b><u>8,489,619</u></b>	<b><u>100.00%</u></b>	<b><u>6,553,592</u></b>	<b><u>100.00%</u></b>

## Gearing ratio

The Group has been striving to optimize its capital and debt structure. As at 31 December 2021, the on-balance sheet net debts<sup>#</sup> to equity ratio of the Group was approximately 79.9% (as at 31 December 2020: approximately 25.9%), which remained healthy in the industry. The Group's debt to total assets ratio (total borrowings divided by total assets) was approximately 30.4% as at 31 December 2021 (as at 31 December 2020: approximately 26.5%). In addition, the debt to assets ratio of the Group net of advance payment received was approximately 76.6% as at 31 December 2021 (as at 31 December 2020: approximately 77.5%), representing a decrease as compared with that as at 31 December 2020. The management will monitor the capital and debt structure of the Group on a regular basis with aim of controlling short-term debt ratio and mitigating its exposure to the risk of gearing.

<sup>#</sup> net debts = total debts less cash and cash equivalents (excluding restricted cash)

## **Pledge of assets of the Group**

As at 31 December 2021, bank borrowings of the Group were secured by one or a combination of the following items: restricted cash, property, plant and equipment, properties under development, investment properties, equity interests in certain subsidiaries of the Group and guarantee provided by Controlling Shareholders. Senior notes were guaranteed by certain subsidiaries of the Company. EB-5 loans are guaranteed by a subsidiary.

## **Foreign exchange and currency risk**

As at 31 December 2021, the Group's cash and cash equivalents and restricted cash were mainly denominated in RMB, Hong Kong dollar and United States dollar. The functional currency of the Group's subsidiaries in the United States is United States dollar while that of the subsidiaries in Hong Kong is Hong Kong dollar, and that of the subsidiaries in Mainland China is Renminbi. As at 31 December 2021, the borrowing of approximately RMB918 million to the Group's subsidiary in the United States from the ultimate controlling shareholder was the long-term financial support to the Group. The net amount of approximately RMB1.59 billion of the Group's Hong Kong subsidiary due to its PRC subsidiary were the internal funds transfer of the Group. The corresponding changes in foreign exchange rates resulted in an exchange loss of approximately RMB120 million (2020: exchange loss of approximately RMB193 million). As at 31 December 2021, the Group's assets denominated in US\$ were approximately US\$1.45 billion (equivalent to approximately RMB9.22 billion): representing approximately 33% of the total assets; the liabilities denominated in US\$ were approximately US\$1.09 billion (equivalent to approximately RMB6.97 billion), representing approximately 31% of the total liabilities; and assets denominated in US\$ exceeds liabilities denominated in US\$ by 1.32 times. As foreign currency assets are in line with the foreign currency liabilities, no financial instrument has been adopted by the Group for hedging purposes.

## **Interest rate risk**

As at 31 December 2021, the debts payable borne with fixed interest rate accounted for approximately 51.8% (as at 31 December 2020: approximately 56.0%) of the total debts of the Group. The Group will continue to monitor the trend of interest rates in the market closely and seek to adopt appropriate risk management measures for mitigating the exposure to the interest rate risk. In this regard, the Group considered the exposure to interest rate risk is low.

## Guarantee

The Group cooperates with various financial institutions to arrange mortgage loan facility for the purchasers of its properties and provides guarantees to secure such purchasers' obligations of repayment. As at 31 December 2021, the outstanding guarantees amounted to approximately RMB1.25 billion (as at 31 December 2020: approximately RMB1.52 billion). In addition, the Group provided a guarantee for borrowings of Guangzhou Langxiu Business Management Consulting Co., Ltd.\* (廣州朗秀企業管理諮詢有限公司), and the balance of the guarantee as at 31 December 2021 was RMB118 million (as at 31 December 2020: RMB148 million).

As at 31 December 2021, there were certain corporate guarantees provided by the subsidiaries of the Group for each other in respect of their borrowings. The management considered that the subsidiaries had sufficient financial resources to fulfill their obligations.

Save as disclosed above, the Group had no other material contingent liabilities as at 31 December 2021.

## Employees and remuneration policy

As at 31 December 2021, the Group had 1,891 employees (as at 31 December 2020: 1,614) who were responsible for the managerial, administrative, technical and general functions in Hong Kong, the United States and the PRC. The increase in headcounts is mainly due to an increase in the number of staff employed for the business development arising from the merger and acquisition in the United States and new property development projects in the PRC and United States. The increment levels of the employees' emolument, promotion and remuneration were determined with reference to their duties, performance and professional experience. Other employee benefits included mandatory provident fund scheme, insurance and medical coverage. According to the terms of the Share Option Scheme adopted on 25 April 2012 and the Share Award Scheme adopted on 2 July 2014, the Company will grant share options or awarded shares to the Group's management and staff based on their individual performance.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

Reference is made to the announcement dated 11 February 2019 in relation to the cooperation framework agreement (the “**Cooperation Framework Agreement**”) entered into between Nanjing Langming Real Estate Group Co., Ltd.\* (南京朗銘地產集團有限公司) (“**Nanjing Langming**”), Xi'an Langshiming Real Estate Development Co., Ltd.\* (西安朗詩銘房地產開發有限公司) (“**Xi'an Langshiming**”), which are wholly owned subsidiaries of the Company, Xi'an Jiapeng Real Estate Development Co., Ltd.\* (西安嘉鵬房地產開發有限公司) (the “**Project Company**”) and Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership)\* (南京洛德德寧房地產投資合伙企

業) (“**Dening Fund**”). Pursuant to the terms of the Cooperation Framework Agreement and subject to certain conditions, Dening Fund agreed to invest in the property development project on 陝西省西安市未央區西戶鐵路以東、昆明路以北，宗地編號 FD2-14-32 (land parcel No. FD2-14-32 located in the east of the Xihu Railway and the north of Kunming Road in Weiyang District, Xi’an City, Shaanxi Province\*) (the “**Subject Project**”) held by the Project Company through the acquisition of the 70% equity interest in the Project Company (the “**Sale Interest**”) and the provision of the shareholder’s loan provided by Dening Fund to the Project Company (the “**Dening Fund Shareholder’s Loan**”). Pursuant to the terms of the Cooperation Framework Agreement, Dening Fund could request to exit the Subject Project and Xi’an Langshiming and/or its designated third party should agree to buy back the total investment amount of not exceeding RMB140,000,000 including the provision of the Dening Fund Shareholder’s Loan of not exceeding RMB126,000,000 and the consideration for the Sale Interest of RMB14,000,000 (the “**Dening Fund Investment**”) for a maximum amount of RMB280,000,000 pursuant to the agreed terms upon the earlier occurrence of either (i) the Subject Project sales rate reaches 95% and all sales proceeds have been received; or (ii) 22 months from the completion of the settlement of Dening Fund Investment (the “**Buy Back**”), for a maximum amount of RMB280,000,000.

On 8 February 2021, both conditions for the Buy Back had been fulfilled. Accordingly, Shanghai Langyu Commercial Management Limited\* (上海朗毓商業管理有限公司) (“**Shanghai Langyu**”), Dening Fund and the Project Company entered into the equity transfer agreement, pursuant to which Dening Fund agreed to transfer and Shanghai Langyu agreed to buy back the Sale Interest at RMB42,000,000. There was no outstanding balance of Dening Fund Shareholder’s Loan as at the date of the Buy Back. Upon completion of the transfer of the Sale Interest on 10 March 2021, the Project Company become an indirect wholly-owned subsidiary of the Company and its financial results has been consolidated into the financial statements of the Company since then. The option to exercise the Buy Back was previously announced on 21 February 2019 pursuant to the requirements of Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). For further details, please refer to the announcement of the Company dated 8 February 2021.

On 27 April 2021, Landsea Homes US Corporation (the “**Purchaser**”) and Landsea Homes, which are non wholly-owned subsidiaries of the Company, Mr. Keith Buescher, Mr. Scott Buescher, Ms. Susan Girard, Ms. Linda Swain, and Mr. Tom Buescher (collectively, the “**Sellers**”), and Mercedes Premier Homes, LLC (the “**Target Company**”) entered into the membership interest purchase agreement (the “**Agreement**”), pursuant to which the Purchaser conditionally agreed to purchase, and the Sellers conditionally agreed to sell the entire membership interests of the Target Company. Upon closing of the acquisition of the entire membership interests under the Agreement on 4 May 2021, the Target Company become a wholly-owned subsidiary of the Purchaser and its results has been consolidated by the Group since then. For further details, please refer to the announcement of the Company dated 27 April 2021.

## EVENTS AFTER THE REPORTING PERIOD

- (i) On 4 January 2022, Nanjing Langming entered into an agreement with Landsea Group for the borrowing facility of RMB500 million for a term of 24 months and bears no interests. In March 2022, RMB125 million has been drawn down.
- (ii) On 18 January 2022 (United States Pacific Standard Time), Landsea Homes of Florida LLC as purchaser (“**Landsea Homes Florida**”) and Landsea Homes Corporations, which are non-wholly owned subsidiaries of the Company, SAM Building Partners, LLC and Edge Creek Ventures, LLC as sellers (the “**US Sellers**”), SWO Holdings Irrevocable Trust, AJO Holdings Irrevocable Trust, JMO Holdings Irrevocable Trust (collectively, the “**Seller A Members**”) and J. Matthew Orosz, Andrew Orosz, and Stephen Orosz (collectively, the “**Orosz Principals**”) entered into the membership interest purchase agreement, pursuant to which Landsea Homes Florida conditionally agreed to purchase, and the US Sellers conditionally agreed to sell, all the issued equity interests of Hanover Family Builders, a limited liability company incorporated in the State of Florida of the USA (the “**Subject Company**”) (the “**Acquisition**”).

The Acquisition constituted a major transaction of the Company under Rule 14.06 of the Listing Rules and was completed on 19 January 2022, and the Subject Company becomes a wholly-owned subsidiary of the Group since then. For further information, please refer to the announcements of the Company dated 19 January 2022 and 24 January 2022.

## FINAL DIVIDEND

The Board does not recommend any payment of final dividend in FY2021 (for the year ended 31 December 2020: HK3.00 cents per Share).

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitle to attend and vote at the annual general meeting of the Company to be held on Thursday, 30 June 2022, the register of members of the Company will be closed from Friday, 24 June 2022 to Thursday, 30 June 2022, both dates inclusive, during which period no transfer of shares will be effected. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 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 Thursday, 23 June 2022.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2021, other than those purchased by the trustee for the share award scheme adopted on 2 July 2014.

## **MODEL CODE FOR DIRECTORS SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions.

The Company confirms that, having made specific enquiry of all Directors, all Directors have complied with the required standards as set out in the Model Code for FY2021.

## **CORPORATE GOVERNANCE PRACTICE**

The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

In the opinion of the Directors, the Company was in compliance with all the relevant code provisions under the CG Code during FY2021.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report from the external auditor of the Group for the year ended 31 December 2021:

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 2.1(c) to the consolidated financial statements, which indicates that as at 31 December 2021, the Group’s current borrowings excluding those of Landsea Homes Corporation, the Company’s listed subsidiary, amounted to

RMB3,166.86 million. At the same date, the Group's cash and cash equivalents excluding those held by Landsea Homes Corporation and certain other US subsidiaries which the Company cannot freely use, amounted to RMB1,519.11 million, of which RMB993.41 million was subsequently repaid to related parties in January 2022. These events or conditions, along with other matters as set forth in note 2.1(c) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **AUDIT COMMITTEE**

The Audit Committee comprises one non-executive Director, namely Mr. Liu Pengpeng and two independent non-executive Directors, namely Mr. Rui Meng (as chairman) and Mr. Chen Tai-yuan. The principal duties of the Audit Committee include the review of the Company's financial reporting procedure, control systems and interim and annual results of the Group and to review the risk management and internal control systems of the Group. The consolidated financial statements of the Group for FY2021 have been reviewed by the Audit Committee.

## **REVIEW OF RESULTS ANNOUNCEMENT**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

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

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Tian Ming and Mr. Huang Zheng, two non-executive Directors, namely Mr. Xu Liang and Mr. Liu Pengpeng, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.*

\* *For identification purposes only*