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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO SHARE REPURCHASE BY
LANDSEA HOMES CORPORATION**

SHARE REPURCHASE

On 1 June 2022 (United States Eastern Daylight Time), LHC, an indirect wholly-owned subsidiary of the Company, and Landsea Homes entered into the Share Repurchase Agreement, pursuant to which, subject to the terms and conditions of the Share Repurchase Agreement, LHC agreed to sell, and Landsea Homes agreed to repurchase, the Repurchase Shares, representing approximately 9.7% of the issued and outstanding shares of LSEA Stock as at the date of this announcement, at a repurchase price of US\$6.82 per share of LSEA Stock for a total consideration of approximately US\$30 million. The shareholding of LHC in Landsea Homes will decrease from approximately 61.9% to approximately 57.8% immediately after completion of the Share Repurchase and cancellation of the Repurchase Shares assuming that there is no other change in the number of shares of LSEA Stock held by LHC and the number of issued and outstanding shares of LSEA Stock.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Share Repurchase is 5% or more and all of such ratios are less than 25%, the Share Repurchase constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SHARE REPURCHASE

On 1 June 2022 (United States Eastern Daylight Time), LHC, an indirect wholly-owned subsidiary of the Company, and Landsea Homes entered into the Share Repurchase Agreement, pursuant to which, subject to the terms and conditions of the Share Repurchase Agreement, LHC agreed to sell, and Landsea Homes agreed to repurchase, the Repurchase Shares, representing approximately 9.7% of the issued and outstanding shares of LSEA Stock as at the date of this announcement, at a repurchase price of US\$6.82 per share of LSEA Stock for a total consideration of approximately US\$30 million.

The principal terms of the Share Repurchase Agreement are set out below:

Subject matter

The Repurchase Shares represent approximately 9.7% of the issued and outstanding shares of LSEA Stock as at the date of the Share Repurchase Agreement. The shareholding of LHC in Landsea Homes will decrease from approximately 61.9% to approximately 57.8% immediately after completion of the Share Repurchase and cancellation of the Repurchase Shares assuming that there is no other change in the number of shares of LSEA Stock held by LHC and the number of issued and outstanding shares of LSEA Stock.

Consideration and basis of determination

The Consideration is approximately US\$30 million and will be settled by Landsea Homes by wire transfer of immediately available funds on the Completion Date.

The repurchase price of US\$6.82 per share of LSEA Stock represents:

- (a) approximately 95.0% of the closing price of US\$7.18 per share of LSEA Stock as quoted on NASDAQ immediately preceding the date of the Share Repurchase Agreement; and
- (b) approximately 93.4% of the closing price of US\$7.30 per share of LSEA Stock as quoted on NASDAQ for the five (5) consecutive trading days immediately preceding the date of the Share Repurchase Agreement.

The repurchase price of US\$6.82 per share of LSEA Stock was determined with reference to the prevailing market price of LSEA Stock, the amount of the Repurchase Shares and the terms and conditions of the Share Repurchase Agreement and was negotiated on an arm's length basis between LHC and Landsea Homes.

Completion

Completion shall take place via the electronic exchange of documents on the Completion Date.

Transfer Restriction

LHC agreed that during the 90-day period from the date of the Share Repurchase Agreement, LHC shall not, without the prior written consent of Landsea Homes, directly or indirectly: (a) offer, sell, pledge, contract to sell, sell any option contract, encumber or otherwise dispose of or transfer, nor permit to be offered, sold, pledged, contracted to sell, sold any option contract, encumbered or otherwise disposed of or transferred in any manner, or (b) enter into any swap or any other agreement or transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the LSEA Stock, whether any such aforesaid swap or transaction is to be settled by delivery of LSEA Stock or other securities, in each case either voluntarily or by operation of law, any of the shares of LSEA Stock beneficially owned by LHC as at the date of the Share Repurchase Agreement (the “**Restricted Shares**”) or any of the economic or other rights associated therewith or otherwise enter into any transaction or agreement with respect to the Restricted Shares that would be reportable with the SEC under Section 13(d) or Section 16(a) of the Securities Exchange Act of 1934, as amended, or the rules and regulations of the SEC promulgated thereunder; provided that the above restriction shall not apply to:

- (i) the sale of the Repurchase Shares to Landsea Homes pursuant to the Share Repurchase Agreement or any other transaction between LHC and Landsea Homes or any other affiliate of LHC,
- (ii) the disposition of 4,838,710 Restricted Shares previously pledged pursuant to the pledge and security agreement dated 12 May 2022, or the disposition of any other Restricted Shares pledged in compliance with Landsea Homes’ insider trading policy,
- (iii) the disposition of 4,838,710 Restricted Shares pursuant to the stock purchase agreement dated 31 May 2022, or
- (iv) the disposition or transfer of Restricted Shares in response to a tender or exchange offer for the LSEA Stock (other than a tender or exchange offer by LHC or one or more of its affiliates) or as part of a merger, consolidation or other transaction in which, in each case, all or substantially all of the outstanding shares of LSEA Stock of Landsea Homes are converted into or exchanged for other consideration as approved by the board of Landsea Homes.

INFORMATION ON THE PARTIES

LHC

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

Landsea Homes

Landsea Homes is a non-wholly owned subsidiary of the Company. It is incorporated under the laws of the State of Delaware in the USA and the common stock of which have been listed on NASDAQ since January 2021. Landsea Homes is principally engaged in real estate development. As at the date of this announcement, Landsea Homes is owned as to approximately 61.92% by the Company.

Pursuant to annual report of Landsea Homes pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, the audited consolidated financial results of Landsea Homes for the two financial years ended 31 December 2021 are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2021
	<i>(US\$)</i>	<i>(US\$)</i>
(Loss)/Profit before taxation	(12,165,000)	66,730,000
(Loss)/Profit after taxation	(9,084,000)	52,735,000

As at 31 December 2021, the audited consolidated net assets of Landsea Homes was US\$621,397,000.

Immediately before completion of the Share Repurchase, the total number of shares of Landsea Homes in issue is 45,275,434. Following completion of the Share Repurchase and cancellation of the Repurchase Shares, the total number of shares of Landsea Homes in issue will be reduced to 40,876,608.

REASONS FOR AND BENEFITS OF THE SHARE REPURCHASE

The Group is principally engaged in development and sales of properties in the PRC and USA.

The Share Repurchase enables the Company to realize investment return while keeping controlling shareholding of Landsea Homes. In light of the foregoing, the Directors consider that the Share Repurchase Agreement and the transactions contemplated thereunder are entered into upon normal commercial terms following arm's length negotiations between LHC and Landsea Homes, and that the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE SHARE REPURCHASE AND USE OF PROCEEDS

As at the date of this announcement, Landsea Homes was owned as to approximately 61.92% by LHC and was a subsidiary of the Company. Given that the Share Repurchase would not cause the LHC's beneficial ownership in LSEA Stock to drop below 50% of the issued and outstanding shares of LSEA Stock, Landsea Homes will continue to be an indirect non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into those of the Group upon completion of the Share Repurchase.

The Group estimates that the Share Repurchase will record a loss of approximately US\$10 million in 2022, being the difference between the sales proceeds from the Share Repurchase and the equity attributable to shareholders of the Company of the Repurchase Shares, subject to the final audit by the Company's auditors.

The sales proceeds from the Share Repurchase of approximately US\$30 million are expected to be used for repaying the Company's indebtedness and as general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Share Repurchase is 5% or more and all of such ratios are less than 25%, the Share Repurchase constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	board of Directors
“Company”	Landsea Green Properties Co., Ltd., a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 106)
“Completion”	completion of the Share Repurchase
“Completion Date”	the date as LHC and Landsea Homes agree in writing
“Consideration”	the repurchase price of US\$6.82 per share of LSEA Stock for a total consideration of approximately US\$30 million payable to LHC pursuant to the Share Repurchase Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landsea Homes”	Landsea Homes Corporation, a company incorporated under the laws of the State of Delaware in the USA and the common stock of which are listed on NASDAQ, and a non-wholly owned subsidiary of the Company
“LHC”	Landsea Holdings Corporation, a company incorporated under laws of the State of Delaware in the USA and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LSEA Stock”	the common shares of Landsea Homes

“NASDAQ”	National Association of Securities Dealers Automated Quotations capital market
“PRC”	the People’s Republic of China
“Repurchase Shares”	4,398,826 shares of LSEA Stock, approximately 9.7% of the issued and outstanding shares of LSEA Stock
“SEC”	the United States Securities and Exchange Commission
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Repurchase”	the proposed repurchase of the Repurchase Shares by LHC to Landsea Homes pursuant to the terms of the Share Repurchase Agreement
“Share Repurchase Agreement”	the share repurchase agreement dated 1 June 2022 (United States Eastern Daylight Time) entered into by LHC and Landsea Homes in relation to the Share Repurchase
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USA”	the United States of America
“US\$”	United States dollar, the lawful currency of USA
“%”	Per cent.

For and on behalf of the Board
Landsea Green Properties Co., Ltd.
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, 2 June 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Tian Ming and Mr. Huang Zheng, the non-executive Directors of the Company are Mr. Xu Liang and Mr. Liu Pengpeng, and the independent non-executive Directors of the Company are Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.