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**朗诗绿色管理**

LANDSEA GREEN MANAGEMENT

**LANDSEA GREEN MANAGEMENT LIMITED**

**朗詩綠色管理有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 106)**

**POSSIBLE DISCLOSEABLE TRANSACTION  
POSSIBLE DISPOSAL OF LISTED  
SECURITIES IN LANDSEA HOMES CORPORATION**

**THE POSSIBLE DISPOSAL**

The Company proposes to dispose of up to 3,264,785 shares of LSEA Stock, representing approximately 9% of the issued and outstanding shares of LSEA Stock as at the date of this announcement, during the Relevant Period.

**IMPLICATIONS UNDER THE LISTING RULES**

The highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Possible Disposal is 5% or more but is less than 25%, the Possible Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Whether and when the Company will proceed with the Possible Disposal or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposals. There is no assurance that the Company will proceed with the Possible Disposal. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE POSSIBLE DISPOSAL**

The principal terms of the Possible Disposal are as follows:

### **Maximum number of shares of LSEA Stock to be disposed**

The Company proposes to sell up to 3,264,785 shares of LSEA Stock held by the Group, representing approximately 9% of the total issued and outstanding shares of LSEA Stock as at the date of this announcement.

### **Relevant Period**

The Company proposes to complete the Possible Disposal during the Relevant Period.

### **Manner of Disposal(s)**

The Possible Disposal may be conducted (i) in the open market on NASDAQ to independent third parties through the trading system of NASDAQ; (ii) through underwritten offering or placing by investment banks to independent third parties; and/or (iii) in the off-market through block trades by entering into placing agreements with placing agents, to dispose of the shares of LSEA Stock to third party purchaser(s), who and whose ultimate beneficial owner(s) are independent third parties. As at the date of this announcement, no potential purchaser for the shares of LSEA Stock has been identified.

The selling price of the shares of LSEA Stock shall be determined with reference to the then market price(s) of shares of LSEA Stock at the relevant material time, provided that:

- (i) each Disposal through underwritten offering or placing by investment banks to independent third parties or in the off-market shall be at market price of no more than 20% discount to the average of the closing price as quoted on NASDAQ for the five (5) consecutive trading days immediately before the date of each Disposal during the Relevant Period; and
- (ii) the minimum selling price of each Disposal shall be no less than the Minimum Selling Price, being US\$9.35 per share of LSEA Stock.

The maximum 20% discount to the average of the closing price of shares of LSEA Stock for the five (5) consecutive trading days immediately prior to the date of the relevant Disposal represents the range of discounts to the referenced closing price which the Company may consider for the Possible Disposal, having regard to the then prevailing share price performance of shares of LSEA Stock and market sentiment. Whilst the Company will exercise its endeavours to dispose of the shares of LSEA Stock at the best available price to the Company, the proposed discount to the average of the closing price of shares of LSEA Stock would allow the Company to have flexibility to dispose of the shares of LSEA Stock within a reasonable price range in the event that the market sentiment is not favourable. In any event, the selling price of each Disposal shall be no less than the Minimum Selling Price.

Based on the closing price of shares of LSEA Stock in the past one year immediately before the date of this announcement, the highest closing price was US\$14.53 per share and the lowest closing price was US\$7.00 per share and the average closing price was approximately US\$11.20 per share. The highest daily trading volume of shares of LSEA Stock was 1,096,294 shares of LSEA Stock while the lowest daily trading volume of shares of LSEA Stock was 55,887 shares of LSEA Stock and the average trading volume for the past one year of shares of LSEA Stock was approximately 202,741 shares of LSEA Stock. The maximum number of 3,264,785 shares of LSEA Stock to be disposed of under the Possible Disposal represents approximately 16.1 times of the average daily trading volume of shares of LSEA Stock. In order to make the shares of LSEA Stock held by the Group to be more attractive in block trade, the Directors consider that it is fair and reasonable for the Company to offer certain percentage of discount to the market price.

The proposed discount of 20% to the 5-day average closing price of shares of LSEA Stock will allow flexibility of the Group in disposing of the shares of LSEA Stock promptly and the Minimum Selling Price, which is at a discount of approximately 47.9% to the shareholder's equity per share of LSEA Stock, will safeguard the interests of the Company that the shares of LSEA Stock would not be disposed of at a significant discount. Whilst the Company will exercise its endeavours to dispose of the shares of LSEA Stock at the best available price to the Company, it is necessary for the Possible Disposal to maintain flexibility. For instance, in the event that the market sentiment and the global economy are not favourable, there would be circumstances that the Company may have to dispose of the shares of LSEA Stock at a discount to the previous market price. The 20% discount range has taken into consideration of market fluctuations and each Disposal shall be subject to approval by at least one of the executive Directors of the Company to ensure that each Disposal would be at the best available price (which shall be no less than the Minimum Selling Price) to the Company as at the time of relevant Disposal. As such, the Company considers that the terms of the Possible Disposal are fair and reasonable.

### **The Minimum Selling Price**

The Minimum Selling Price of US\$9.35 per share of LSEA Stock represents:

- (a) a discount of approximately 25.3% to the closing price of US\$12.52 per share of LSEA Stock as quoted on NASDAQ immediately preceding the Last Trading Day;
- (b) a discount of approximately 27.9% to the closing price of US\$12.97 per share of LSEA Stock as quoted on NASDAQ for the five (5) consecutive trading days immediately preceding the Last Trading Day; and
- (c) a discount of approximately 47.9% to the shareholder's equity per share of LSEA Stock of US\$17.94 as at 30 June 2024.

The Minimum Selling Price was determined with reference to (i) the shareholder's equity per share of LSEA Stock as at 30 June 2024; (ii) the volatile market performance of shares of LSEA Stock as quoted on NASDAQ for the past twelve months which ranged from US\$7.00 to US\$14.53 per share; and (iii) the prevailing market conditions and the uncertainty of global economy. The Directors consider that the Minimum Selling Price will allow flexibility for the Company to accommodate fluctuation in the market conditions in effecting the Possible Disposal and at the same time reflect the lowest acceptable price to the Company to dispose of the shares of LSEA Stock, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

## Compliance

The Possible Disposal shall comply with relevant applicable laws and regulations, including any applicable trading regulations in New York. The Group will also report on the progress of the Possible Disposal in the relevant interim report as well as the annual report of the Company in compliance with the Listing Rules.

## INFORMATION ON LANDSEA HOMES

Landsea Homes is a company incorporated under the laws of the State of Delaware in the USA and the common stock of which are listed on NASDAQ. Landsea Homes is principally engaged in real estate development.

Pursuant to annual report of Landsea Homes issued pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended 31 December 2023, the audited consolidated financial results of Landsea Homes for the two financial years ended 31 December 2023 prepared in accordance with US GAAP are as follows:

	<b>For the year ended 31 December 2022 (US\$)</b>	<b>For the year ended 31 December 2023 (US\$)</b>
Profit before taxation	101,065,000	44,545,000
Profit after taxation	75,665,000	32,650,000

As at 30 June 2024, the audited consolidated shareholder's equity was US\$650,664,000.

## INFORMATION ON LHC AND THE COMPANY

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

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

## **REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL**

References are made to the announcements of the Company dated 5 February 2024 and 10 March 2024 and the circular of the Company dated 8 February 2024 in relation to, among other matters, the possible disposal of 4,800,000 shares of LSEA Stock by the Company on or before 28 August 2024. As at the date of this announcement, 7,028,145 shares of LSEA Stock has been sold by the Group for an aggregate consideration of approximately US\$57.63 million.

Having regard to the current market conditions, the Board considers that the Possible Disposal will provide the Group with an opportunity to realise its investment in Landsea Homes and will enhance the overall liquidity of the Group. In light of the uncertainty in the future global economy, also having considered the funding needs of the Group, the Company considers that the Possible Disposal represents an opportunity to realise its investments and to allow the Group to reallocate its resources.

Each Disposal will be made with reference to the market prices on open market. The Board is of the view that the Possible Disposal is on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and its shareholders as a whole.

## **FINANCIAL EFFECT OF THE POSSIBLE DISPOSAL AND USE OF PROCEEDS**

As at the date of this announcement, LHC, an indirect wholly-owned subsidiary of the Company, held approximately 24.9% of the issued and outstanding shares of LSEA Stock and Landsea Homes is accounted as an associate of the Company. Upon completion in full of the Possible Disposal and assuming that there is no change in the issued and outstanding shares of LSEA Stock, LHC will hold approximately 15.9% of the issued and outstanding shares of LSEA Stock and Landsea Homes will continue to be accounted as an associate of the Company.

For illustrating the financial impact of the Possible Disposal, on the assumption that all the 3,264,785 shares of LSEA Stock would have been disposed of at the Minimum Selling Price, the Group is expected to recognise a loss of approximately US\$28 million which is calculated on the basis of the difference between the Minimum Selling Price and the shareholder's equity per share of LSEA stock. The actual gain/loss of the Group as a result of the Possible Disposal will depend on the actual Disposal price per share of LSEA Stock and will be subject to final audit by the auditors of the Company.

The Company will use the proceeds from the Possible Disposal for repayment of loans and the remaining will be used for general working capital.

## **IMPLICATIONS UNDER THE LISTING RULES**

The highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Possible Disposal is 5% or more but is less than 25%, the Possible Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Whether and when the Company will proceed with the Possible Disposal or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the Disposals. There is no assurance that the Company will proceed with the Possible Disposal. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **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 Management Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 106)
“Directors”	directors of the Company
“Disposal(s)”	disposal(s) of shares of LSEA Stock by LHC under the Possible Disposal
“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
“Last Trading Day”	25 September 2024 (New York time), being the last full trading day of the shares of LSEA Stock on NASDAQ prior to the release of this announcement
“LHC”	Landsea Holdings Corporation, a company incorporated under laws of the State of Delaware in the USA, which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LSEA Stock”	the common shares of Landsea Homes
“Minimum Selling Price”	US\$9.35 per share of LSEA Stock

“NASDAQ”	National Association of Securities Dealers Automated Quotations capital market
“Possible Disposal”	the proposed disposal(s) of up to 3,264,785 shares of LSEA Stock by LHC
“PRC”	the People’s Republic of China
“Relevant Period”	the 6-month period from the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US GAAP”	generally accepted accounting principles in the USA
“US\$”	United States dollar, the lawful currency of USA
“USA”	the United States of America
“%”	per cent.

By order of the Board  
**Landsea Green Management Limited**  
**Gao Yuan**  
*Company Secretary*

Hong Kong, 26 September 2024

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Tian Ming and Mr. Huang Zheng, one non-executive Director, namely Ms. Gu Jing, and three independent non-executive Directors, namely Mr. Chen Tai-yuan, Mr. Rui Meng and Mr. Xie Cilong.*