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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

(Formerly as “Landsea Green Properties Co., Ltd. 朗詩綠色地產有限公司”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 106)

**OFFER TO EXCHANGE AT LEAST A MINIMUM ACCEPTANCE
AMOUNT OF 10.75% SENIOR NOTES DUE 2022**

Description of Notes	ISIN/ Common Code	Outstanding Principal ⁽¹⁾	Minimum Acceptance Amount	Exchange Consideration (per US\$1,000 in principal amount of the Existing Notes tendered for Exchange)
10.75% Senior Notes due 2022 issued by the Company (the “Existing Notes”)	XS2095992017/ 209599201	US\$169,400,000	US\$152,460,000	US\$100 Upfront Principal Payment in cash, US\$5 as Incentive Cash Consideration, US\$900 in aggregate principal amount of New Notes and Accrued Interest

Note:

(1) As of the date of this exchange offer, the outstanding principal amount of the Existing Notes indicated above does not include the portion of the Existing Notes directly or indirectly held by the Company. Such portion of the Existing Notes will be cancelled on or before the Settlement Date.

This announcement is made by Landsea Green Management Limited 朗詩綠色管理有限公司 (previously known as Landsea Green Properties Co., Ltd. 朗詩綠色地產有限公司) (the “**Company**”) together with its subsidiaries (the “**Group**”), pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

On January 21, 2020, the Company issued the Existing Notes with an aggregate principal amount of US\$200,000,000. The Existing Notes are listed on the SGX-ST. The ISIN and Common Code are XS2095992017 and 209599201, respectively, for the Existing Notes. As of the date of this announcement, the outstanding principal amount of the Existing Notes is US\$169,400,000.⁽¹⁾

The Exchange Offer, once consummated, will improve the Company’s financial condition, extend its debt maturity profile, strengthen its balance sheet and improve cash flow management.

THE EXCHANGE OFFER

The Exchange Offer commenced on September 30, 2022 and will expire at 4:00 p.m., London time, on October 18, 2022 (the “**Exchange Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company at its sole discretion and notified to the Existing Notes Trustee. An appropriate announcement will be made if and when the applicable Exchange Expiration Deadline is extended or earlier terminated.

Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Exchange Offer Memorandum.

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange Minimum Acceptance Amount of Existing Notes for New Notes to be issued by the Company. **The Company reserves the right, in its sole discretion, to accept less than the Minimum Acceptance Amount of the Existing Notes, or to accept none of such Existing Notes, for exchange pursuant to the Exchange Offer.**

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the Exchange Consideration) and will release and discharge the Company from any and all claims such holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

Note:

(1) As of the date of this exchange offer, the outstanding principal amount of the Existing Notes indicated above does not include the portion of the Existing Notes directly or indirectly held by the Company. Such portion of the Existing Notes will be cancelled on or before the Settlement Date.

A separate instruction needs to be submitted per each beneficial owner of the Exchange Notes held through Euroclear and Clearstream. Instructions in connection with the Exchange Offer are irrevocable.

The Exchange Offer is not being made within, and the Exchange Offer Memorandum is not for distribution in, the United States or to any U.S. person (as defined under Regulation S). The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to any U.S. person (as defined under Regulation S) or any other jurisdiction where it is unlawful to offer such securities, including the New Notes and any guarantees with respect thereto, for sale. Securities may not be offered, sold or delivered in the United States absent registration or an exemption from registration. The New Notes and the related guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States.

EXCHANGE CONSIDERATION

For each US\$1,000 principal amount of outstanding Existing Notes that is validly tendered by or prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder will receive the Exchange Consideration consisting of: (a) US\$100 principal repayment (the “**Upfront Principal Payment**”) in cash, (b) US\$5 in cash (the “**Incentive Cash Consideration**”), (c) US\$900 in aggregate principal amount of the New Notes, and (d) any Accrued Interest. Any of the New Notes to be issued to any Eligible Holder in the Exchange Offer will be in a minimum principal amount of US\$150,000 and integral multiples of US\$1 in excess thereof. Any fractional amounts of New Notes will be forfeited.

The New Notes will bear interest at the rate of 10.75% per annum, payable semi-annually in arrears. The New Notes will mature on October 20, 2024 (subject to adjustment if the Exchange Expiration Deadline is extended).

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the New Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors or any of their respective subsidiaries or associated companies (if any), the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees. For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US\$150,000.

SUMMARY TIMETABLE

The following summarizes the anticipated timetable for the Exchange Offer.

Date	Event
September 30, 2022	Commencement of the Exchange Offer and announcement via the SEHK, the Exchange Website and through Euroclear or Clearstream, as applicable. The Exchange Offer Memorandum will be made available to Eligible Holders of the Existing Notes who are non-U.S. persons outside the United States on the Exchange Website.
October 18, 2022 (4:00 p.m., London time)	Exchange Expiration Deadline. This being the last date and time on which holders of the Existing Notes who validly tender Existing Notes are eligible to receive the Exchange Consideration, as this is the last date and time for holders of the Existing Notes to participate in the Exchange Offer.
As soon as practicable after the Exchange Expiration Deadline	Announcement of (i) the amount of valid tenders for exchange received prior to the Exchange Expiration Deadline, (ii) the final aggregate principal amount of Existing Notes accepted for exchange, and (iii) the final aggregate principal amount of the New Notes to be issued to investors in exchange for the Existing Notes validly tendered, accepted and exchanged.
On or about October 20, 2022	Settlement Date. Issuance and delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange and cancellation of such Existing Notes.
On or about October 25, 2022	Listing of the New Notes on the SGX-ST.

The Exchange Expiration Deadline, and accordingly the Settlement Date and the date of the listing of the New Notes, may be extended by the Company at its sole discretion.

CONDITIONS TO THE EXCHANGE OFFER

The Company's obligation to consummate the Exchange Offer is conditioned upon the following:

- (a) there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- (b) an affirmative determination by the Company that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in the Company's best interests; and

(c) the satisfaction or waiver of the conditions described in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived.

Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, subject to applicable law. The Company will give you and the Existing Notes Trustee notice of any amendments, modifications or waivers as and if required by applicable law.

BACKGROUND AND PURPOSE OF THE EXCHANGE OFFER

Since mid-2021, the operating environment of China's real estate industry has undergone significant changes. In the credit market, the reduction in real estate development loans by onshore banks has led to less capital access for Chinese property developers. At the same time, onshore and offshore banks have significantly tightened the supervision on the use of funds by Chinese property developers, which has significantly reduced the unrestricted funds available to Chinese property developers, including the Company, and the use and distribution of funds of project companies have been greatly restricted. In addition, a number of negative credit events have resulted in the offshore bond market, on which Chinese property developers rely heavily for refinancing and development capital, being effectively closed. Many companies within the real estate sector, including the Company, have been unable to access typical financing channels. Coupled with the ongoing outbreak of the COVID-19 pandemic, the combination of many factors has exacerbated the concerns of market buyers about whether property developers can complete construction as scheduled. The deteriorating market conditions have affected consumer confidence and further led to a significant slowdown in residential property sales in China.

As a result, the contracted sales of the Company for the first half of 2022 declined significantly compared with the corresponding period of last year, which significantly affected the Company's liquidity. In light of such circumstances, the Company has taken various measures to maintain the stability of the Group's operations. In the six months ended 30 June 2022, with green product differentiation and asset-light transformation, the Company was able to maintain regular operations, with a decrease in the size of liabilities, as compared to the end of last year. Despite the significant challenges affecting the Chinese property development sector, the Company has met its debt servicing obligations as they became due. In June 2022, the Company repaid US\$200 million of offshore bonds on time, fully demonstrating the Company's firm commitment to repay indebtedness.

However, due to the prolonged duration of the above-mentioned unfavourable operating environment affecting the real estate sector in the PRC, including the Company, the Group's financial position has been significantly affected. Despite the Company's commitment to meeting its repayment obligations when due, the Company may face continuing liquidity pressure and its ability to repay future offshore maturing debts is subject to considerable uncertainty. In the face of current adverse market conditions, as part of the Company's

efforts to meet its repayment obligations, the Company is conducting the exchange offer to improve its financial condition, extend its debt maturity profile, strengthen its balance sheet and improve cash flow management.

FURTHER DETAILS

The Company has appointed Guotai Junan Securities (Hong Kong) Limited as the Dealer Manager, and D.F. King as Information and Exchange Agent with respect to the Exchange Offer (each as stipulated in the Exchange Offer Memorandum its related documents). The Exchange Offer Memorandum, this announcement and all documents related to the Exchange Offer can be found on the Exchange Website: <https://sites.dfkingltd.com/landsea>.

The contact information of Guotai Junan Securities (Hong Kong) Limited and D.F. King is set out as follows:

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Email: landsea@dfkingltd.com

Exchange Website: <https://sites.dfkingltd.com/landsea>

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER MEMORANDUM.

SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AS SET FORTH IN THE EXCHANGE OFFER MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER. AS THE EXCHANGE OFFER MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Exchange Offer is not being made to (nor will the tender of the Existing Notes) Holders in any jurisdiction where the making or acceptance of the Exchange Offer would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer will not be made to any Holder residing in such jurisdiction.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

Accrued Interest	accrued and unpaid interest on any Existing Notes validly tendered by Eligible Holders and accepted for exchange, up to but not including the Settlement Date, payable in cash, rounded to the nearest US\$0.01, with US\$0.005 rounded upwards;
Board	the board of Directors of the Company;
Clearstream	Clearstream Banking S.A.;
Company	Landsea Green Management Limited 朗詩綠色管理有限公司 (previously known as Landsea Green Properties Co., Ltd. 朗詩綠色地產有限公司), a company incorporated in Bermuda with limited liability;

Director(s)	the director(s) of the Company;
Eligible Holders	holders who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S under the Securities Act) in exchange for their Existing Notes through Euroclear and Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined in Regulation S under the Securities Act) with the Existing Notes held through Euroclear and Clearstream;
Euroclear	Euroclear Bank SA/NV;
Exchange Offer	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
Exchange Offer Memorandum	the exchange offer memorandum dated September 30, 2022 in relation to the Exchange Offer;
Exchange Website	https://sites.dfkingltd.com/landsea ;
Existing Notes	the 10.75% Senior Notes due 2022 issued by the Company;
Existing Notes Trustee	DB Trustees (Hong Kong) Limited;
Holder	the holder of the relevant Existing Notes;
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China;
Minimum Acceptance Amount	the minimum aggregate principal amount of the Existing Notes, being 90% of the outstanding principal amount of the Existing Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer;
New Notes	the U.S. dollar denominated senior notes to be issued in the Exchange Offer;
PRC	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
Regulation S	Regulation S under the U.S. Securities Act;
SEHK	The Hong Kong Stock Exchange Limited;
Settlement Date	on or about October 20, 2022, unless the exchange offer is extended or earlier terminated;

SGX-ST	Singapore Exchange Securities Trading Limited;
U.S. or United States	the United States of America;
U.S. Securities Act	The United States Securities Act of 1933, as amended;
US\$	United States dollars, the lawful currency of the United States; and
%	percent.

By order of the Board
Landsea Green Management Limited
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, September 30, 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 Ms. Gu Jing and Mr. Liu Pengpeng, and three independent non-executive Directors, namely Mr. Xu Xiaonian, Mr. Chen Tai-yuan and Mr. Rui Meng.