THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in LVGEM (China) Real Estate Investment Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

L.gem 綠景（中國）地產投資有限公司

LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(HKSE Stock Code: 95)

MAJOR TRANSACTION IN RELATION TO DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY OF THE COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 4 to 14 of this circular. The notice convening the EGM to be held on 18 July 2022 at 11:00 a.m. at Meeting Room 1, Level 25, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong is set out on page EGM-1 of this circular.

Precautionary measures and special arrangements for the extraordinary general meeting

Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the extraordinary general meeting with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; and (b) wear surgical masks prior to admission to the extraordinary general meeting venue; (ii) attendees who are subject to health quarantine prescribed by the HKSAR Government not being admitted to the extraordinary general meeting venue; (iii) all attendees being required to wear surgical masks throughout the extraordinary general meeting; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (v) no refreshment packs or coffee/tea being provided.

The Company reminds attendees that they should carefully consider the risks of attending the extraordinary general meeting, taking into account their own personal circumstances. Furthermore, the Company would like to remind Shareholders that physical attendance in person at the extraordinary general meeting is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the Chairman of the extraordinary general meeting as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the Company's website (www.lvgem-china.com) or the Stock Exchange's website.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the extraordinary general meeting.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the principal place of business of the Company at Unit 2501, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

30 June 2022

CONTENTS

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

"Announcement"	the announcement of the Company dated 7 June 2022 in respect of, among others, the Subscription Agreement, the Cooperation Agreement and the Deemed Disposal
"Board"	the board of Directors
"Company"	LVGEM (China) Real Estate Investment Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Subscription Agreement
"Completion Date"	the date on which Completion takes place
"Conditions Precedent"	the conditions precedent to the completion of the Subscription set out in the Subscription Agreement
"connected person(s)"	has the meaning as ascribed to it in the Listing Rules
"Cooperation Agreement"	the cooperation agreement dated 7 June 2022 entered into between ICDL, the Target Company and the Investor as a Condition Precedent to the completion of the Subscription, which stipulates various rights of the shareholders in the Target Company and the business and operational arrangements relating to the Target Company and the Project Company
"Deemed Disposal"	the Subscription by the Investor to the Target Company pursuant to the Subscription Agreement to contribute approximately 8% of the enlarged registered capital of the Target Company
"Director(s)"	the directors(s) of the Company
"EGM"	the extraordinary general meeting to be convened and held by the Company at Meeting Room 1, Level 25, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Monday, 18 July 2022 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder
"Group"	collectively, the Company and its subsidiaries for the time being
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"ICDL"	Intelligent City Development Limited 智慧城市發展有限公司, a company established under the laws of Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company

"ICDL Exit Right"	has the meaning ascribed to it in the paragraph headed "The Cooperation Agreement – ICDL Exit Right" in the letter from the Board in this circular
"Investor"	深圳市深全房地產開發有限公司 (Shenzhen Shenquan Real Estate Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect non-wholly owned subsidiary of China Vanke Co., Ltd, a company listed on the Main Board of the Stock Exchange (Stock Code: 2202)
"Investor Exit Right"	has the meaning ascribed to it in the paragraph headed "The Cooperation Agreement – Investor Exit Right" in the letter from the Board in this circular
"Latest Practicable Date"	27 June 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Project"	The Shahe Wucun Urban Renewal Unit (沙河五村城市更新單元) project in Shahe Street, Nanshan District, Shenzhen City, the PRC, which is under the development of four phases (i.e. Phase I, Phase II, Phase III and Phase IV) as at the Latest Practicable Date
"Project Company"	深圳市綠景天盛實業有限公司 (Shenzhen LVGEM Tiansheng Industry Company Limited*), an indirect wholly-owned subsidiary of the Target Company which is principally engaged in the development and construction of the Project
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.01 each of the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen LVGEM Hexing"	深圳市綠景合興房地產開發有限公司 (Shenzhen LVGEM Hexing Real Estate Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of Shenzhen LVGEM Management
"Shenzhen LVGEM Management"	深圳市綠景企業管理集團有限公司 (Shenzhen LVGEM Enterprise Management Group Co., Ltd.*), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	has the meaning ascribed to it in the paragraph headed "Introduction" in the letter from the Board in this circular
"Subscription Agreement"	the subscription agreement dated 7 June 2022 entered into among ICDL, the Target Company and the Investor in relation to the Deemed Disposal
"Subscription Value"	has the meaning ascribed to it in the paragraph headed "Introduction" in the letter from the Board in this circular
"Target Company"	深圳市四達實業發展有限公司 (Shenzhen Sida Industrial Development Co., Ltd.*), a company established under the laws of the PRC with limited liability and an indirect non- wholly owned subsidiary of the Company
"%"	per cent

For the purpose of illustration only and unless otherwise stated, conversion of Renminbi to Hong Kong dollars in this circular is calculated at the exchange rate of RMB1.00 to HK$1.1765. Such conversion rate should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

* *For identification purpose only*

綠景（中國）地產投資有限公司
LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)
(HKSE Stock Code: 95)

Executive Directors:	*Registered Office:*
Ms. HUANG Jingshu (*Chairman*)	Windward 3
Mr. TANG Shouchun *(Chief Executive Officer)*	Regatta Office Park
Mr. YE Xingan	PO Box 1350
Mr. HUANG Hao Yuan	Grand Cayman KY1-1108
Ms. LI Yufei	Cayman Islands
Non-executive Director:	*Head Office and Principal Place of Business in Hong Kong:*
Mr. CHEN Wei Sheng	Unit 2501, NEO,
	123 Hoi Bun Road,
Independent non-executive Directors:	Kwun Tong,
Mr. WANG Jing	Kowloon, Hong Kong
Ms. HU Gin Ing	
Mr. MO Fan	

30 June 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY OF THE COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Deemed Disposal.

On 7 June 2022 (after trading hours), ICDL, the Target Company and the Investor entered into the Subscription Agreement, pursuant to which the Investor conditionally agreed to inject approximately RMB2.28 billion (approximately HK$2.68 billion) ("**Subscription Value**") into the Target Company (the "**Subscription**"), of which approximately RMB171.3 million (approximately HK$201.5 million) will be contributed to the registered capital of the Target Company, which accounts for approximately 8% of the enlarged equity interest in the Target Company, and the balance of approximately RMB2.1 billion (approximately HK$2.5 billion) will be accounted as capital reserve of the Target Company. Immediately after completion of the Subscription, the Investor will be interested in approximately 8% of the enlarged equity interest in the Target Company, and the Group's interest in the Target Company (holding through ICDL) will be diluted from 100% to 92%. According to Rule 14.29 of the Listing Rules, such dilution is considered to be a deemed disposal of the Company's interest in a subsidiary.

In addition, as a Condition Precedent to the completion of the Subscription, ICDL, the Target Company and the Investor have entered into a Cooperation Agreement on the same day to facilitate the development and operations of the Project Company and Phases III and IV of the Project.

The purpose of this circular is to provide you with (i) further details of the Subscription Agreement, the Cooperation Agreement and the Deemed Disposal; (ii) the notice of the EGM; and (iii) other information as required to be disclosed under the Listing Rules.

THE SUBSCRIPTION AGREEMENT

Date

7 June 2022

Parties

(i) ICDL;

(ii) the Target Company; and

(iii) the Investor.

The Subscription

Pursuant to the Subscription Agreement, the Investor shall inject approximately RMB2.28 billion (approximately HK$2.68 billion) for approximately 8% of the enlarged registered capital of the Target Company, of which approximately RMB171.3 million (approximately HK$201.5 million) would be accounted as registered capital of the Target Company, while the balance of approximately RMB2.1 billion (approximately HK$2.5 billion) will be accounted as the capital reserve of the Target Company.

Basis for determination of Subscription

The amount of the injection pursuant to the Subscription under the Subscription Agreement was determined based on arm's length negotiations between the parties with reference to, among others, the valuation of the market value of 100% equity interest of the Target Company as at 31 March 2022 of approximately RMB33.0 billion (equivalent to approximately HK$38.8 billion) as assessed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent qualified valuer. The business valuation report of the Target Company is set out in Appendix II to this circular.

Payment of the capital

ICDL, the Target Company and the Investor agreed that the Investor shall make the Subscription into the Target Company by payment in two separate instalments in the following manner:

(i) the Investor shall arrange payment of approximately RMB1.14 billion (approximately HK$1.34 billion) to the Target Company within thirty (30) days after the Completion Date (the "**Date of First Payment**"); and

(ii) the Investor shall arrange payment of the remaining amount of approximately RMB1.14 billion (approximately HK$1.34 billion) to the Target Company within ten (10) months after the Date of First Payment, and in any event no later than 30 April 2023.

Conditions Precedent

The completion of the Subscription Agreement is conditional upon the fulfilment of, among other things, the following conditions, unless otherwise agreed to be waived by the relevant parties of the respective Conditions Precedent:

(i) the Investor has passed its necessary resolutions in approving the Subscription and the agreements relating to the Subscription in accordance with its memorandum and articles of association and the relevant laws and regulations;

(ii) both ICDL and the Target Company have passed their necessary resolutions in approving the Subscription and the agreements relating to the Subscription in accordance with their memorandum and articles of associations and the relevant laws and regulations;

(iii) the passing of the requisite resolutions by (a) the Board; and (b) the Shareholders at the EGM approving the Subscription and the arrangements in relation to the Project, and the publication of announcement in accordance with the Listing Rules;

(iv) the representations and warranties given by ICDL, the Target Company and the Investor under the Subscription Agreement remaining true and accurate in all material respects from the date of the Subscription Agreement to the Completion Date;

(v) both ICDL and the Investor have signed on the amended memorandum and articles of association of the Target Company in the same form as set out in the Subscription Agreement, which was required to be revised due to the Subscription;

(vi) ICDL, the Target Company and the Investor have signed and entered into the Cooperation Agreement; and

(vii) the Target Company has submitted the documents related to the Subscription to the relevant authorities, including its amended memorandum and articles of association, the resolutions of its shareholders, the list of new directors, and other required documents as requested by the relevant authorities, and the successful registration of the Investor as the owner of approximately 8% equity interest of the Target Company.

As at the Latest Practicable Date, as confirmed by the Directors, conditions (i), (ii), (v) and (vi) have been fulfilled.

Condition (iii) can be waived by the mutual agreement of ICDL, the Target Company and the Investor. As at the Latest Practicable Date, each of ICDL and the Target Company has confirmed that they will not agree to the waiver of condition (iii) above. As for condition (iv), the Investor has the right to waive the condition if the representation or warranty in question was given by ICDL or the Target Company, and conversely ICDL and the Target Company have the right to waive the condition if the representation or warranty in question was given by the Investor. Furthermore, under the mutual agreement of ICDL and the Investor, the submission of documents related to the Subscription to the relevant authorities as a part of condition (vii) could be waived, and the Investor can waive the remaining part of condition (vii) as regards the successful registration of the Investor as the owner of approximately 8% equity interest of the Company.

The parties shall fulfil conditions (i) to (vii) within 120 days from the date of the Shareholders approving the Subscription at the EGM. If the conditions above are not satisfied or waived within the required timeframe, the Subscription Agreement shall lapse automatically, save for certain provisions relating to liabilities of breach and remedies, confidentiality, expenses and taxation, governing law and other ancillary provisions.

Completion

The Completion will take place on the date on which all of the Conditions Precedent have been fulfilled (or waived).

Negative pledge

Each of ICDL and the Target Company undertakes to the Investor that no pledge should be created on approximately 8% of the enlarged equity interest in the Target Company to be held by the Investor when the Target Company provides mortgages, pledges or external guarantees to domestic or foreign creditors for the purpose of financing the Project.

Each of ICDL and the Target Company undertakes to the Investor that, except for mortgages, pledges or external guarantees to domestic or foreign creditors for the purpose of financing the Project, ICDL shall not cause any form of pledge to be created on its equity interest in the Target Company, and its indirect interest in each subsidiary of the Target Company (i.e. Shenzhen LVGEM Hexing, Shenzhen LVGEM Management and the Project Company), and the Target Company and each subsidiary of the Target Company (i.e. Shenzhen LVGEM Hexing, Shenzhen LVGEM Management and the Project Company) shall not provide any external guarantee.

Profit and loss sharing

Upon Completion, each of ICDL and the Investor shall own 92% and 8% of the registered capital of the Target Company, respectively. The parties have agreed that the right of management in relation to the Project and the profit and loss of the Project will not be shared in accordance with the percentage of the capital contribution of the respective shareholders of the Target Company. Instead, in relation to Phases III and IV of the Project, each of ICDL and the Investor will exercise their voting rights and share the profit and loss of Phases III and IV of the Project in the proportion of 80% and 20%, respectively.

The Investor will not enjoy the profit or be responsible for any loss of Phases I and II of the Project as it was not involved and will not be involved in the construction and development of Phases I and II of the Project. Further details in relation to the operation and management of the Target Company and the Project Company are set out in the paragraph headed "The Cooperation Agreement – Terms and arrangements in relation to the operation and management of the Target Company and the Project Company" below.

In determining the Investor's right and obligation to share 20% of the profit and loss which may be derived from Phase III and IV of the Project under the Cooperation Agreement, the Directors have taken into account the following factors:

(i) although the Investor will be a holder of approximately 8% of the enlarged share capital of the Target Company (which indirectly owns 100% of the Project Company and which in turn is the operating entity of the Project) immediately upon Completion, if any profit is to be generated from Phases I and II of the Project, the Investor will not be entitled to any of such profit;

(ii) the timing of sharing of the profit (or loss) in relation to Phases III and IV of the Project will only be expected to occur after 2025;

(iii) the fact that the Investor shall pay for the Subscription in two stages and in any event not later than 30 April 2023, and the Investor would not receive any profit distribution (or share any loss) until two years to three years after the Investor having completed the payment for the Subscription in full;

(iv) having calculated the returns, in terms of profit earnings and dividend payout, that can be generated from Phases III and IV of the Project under different scenarios and considered the Investor's expected rate of return on investments, the Investor and ICDL agreed in principle that 20% of profit and loss sharing is commercially acceptable to both parties;

(v) the Subscription in the amount of RMB2.28 billion (approximately HK$2.68 billion) will greatly enhance the cash flow and lower the financing costs of the Project, which may speed up the progress of construction of Phases III and IV of the Project; and

(vi) the Investor is a renowned real estate developer in the PRC, which participation in the Project and making of the Subscription is expected to (a) enhance the confidence of the other investors towards the Company, and (b) boost sales of the properties upon completion of construction.

In view of the above, the Directors are of the view that it is reasonable to set a higher proportion of sharing of profit and loss which may be derived from Phases III and IV of the Project to the Investor.

Financial effects of the Subscription

Upon the completion of the Subscription, the total registered capital of the Target Company will be increased to approximately RMB2.1 billion (approximately HK$ 2.5 billion), of which 92% and 8% of the total equity interest of the Target Company will be owned by ICDL and the Investor, respectively. Hence, the Group's interest in the Target Company (held through ICDL) will be diluted from 100% to 92% after the completion of the Subscription and the Target Company will remain a subsidiary of the Company.

The Subscription is expected to be recorded as an equity transaction in accordance with the Hong Kong Financial Reporting Standards and the accounting policies of the Group. The Directors do not expect to recognise any gain/loss from the transactions contemplated under the Subscription Agreement. Shareholders should note that the actual amount of gain/loss from the Subscription to be recorded by the Company (if any) will be subject to review by the auditor of the Company.

THE COOPERATION AGREEMENT

Incidental to the Completion of the Subscription as a Conditions Precedent, on 7 June 2022, ICDL, the Target Company and the Investor entered into the Cooperation Agreement. The Cooperation Agreement stipulates various rights of the shareholders in the Target Company and the business and operational arrangements relating to the Target Company and the Project Company.

The Cooperation Agreement will take effect from the Completion Date.

Board Composition

The board of directors of the Target Company, the Project Company, Shenzhen LVGEM Hexing and Shenzhen LVGEM Management shall all comprise the same group of five directors, one of whom shall be nominated by the Investor and the remaining four directors by ICDL. The chairman of the board of directors for both the Target Company and the Project Company shall be a director nominated by ICDL. If any of the directors of the Target Company and the Project Company are dismissed or cease to hold office due to any other reasons, the original nominating party shall nominate a new director, and the Investor and ICDL shall cooperate in approving the relevant shareholder resolutions for the change of board members.

Each of the Target Company and the Project Company shall have one supervisor, who shall be nominated by ICDL.

Terms and arrangements in relation to the operation and management of the Target Company and the Project Company

The Investor shall not participate in the development and operation of Phases I and II of the Project. Regarding the decision making process of each of the Target Company, the Project Company, Shenzhen LVGEM Hexing and Shenzhen LVGEM Management in relation to Phases I and II of the Project, the Investor and the director nominated by the Investor shall have no right to participate in such decision making. Also, the senior management members of the Project Company which are nominated by the Investor shall not be involved in the operation and management of the same. However, the Investor shall have the right to be informed of the major decisions to be made in relation to Phases I and II of the Project. If the Investor is of the view that such major decisions may affect its rights and interests pursuant to the Cooperation Agreement, ICDL shall provide reasonable explanations and adopt precautionary measures that are approved by the Investor prior to the execution of those decisions. In addition, the Investor, as a shareholder of the Target Company, will not be responsible for any liabilities in relation to Phases I and II of the Project.

In addition, the Investor shall be responsible for the construction, marketing and property management of Phases III and IV of the Project and shall have the right to appoint the department heads of the relevant departments in the Project Company, whereas ICDL shall be responsible for all the matters relating to the development and operations of Phases I and II of the Project, as well as the necessary filings and applications to the relevant authorities, design, operation, procurement and cost control of Phases III and IV of the Project, and shall have the right to appoint the department heads of the relevant departments. ICDL shall also have the right to assign members or staff to participate in the construction, marketing and property management of Phases III and IV of the Project.

ICDL Exit Right

If any of the following events occur, and the parties are not able to mutually agree to adopt a possible financing proposal provided by an external finance institution within sixty (60) days from the occurrence of the following events, ICDL shall, during the sixty (60) days after the occurrence of the following events, have the option to provide a written notification to the Investor and the Target Company, and purchase all of the equity in the Target Company and debts (if any) in the Target Company and the Project Company held by the Investor (the "**ICDL Exit Right**"):

(i) the Project Company fails to obtain project development loans from commercial bank(s) in relation to Phases III and IV of the Project before 30 September 2025; or

(ii) there is a funding gap in the Project Company without any financing solution from an external financial institution, and resulting in the shareholder of the Project Company having to invest more capital than what they have expected.

The purchase price of the equity of the Target Company and debts (if any) of the Target Company and the Project Company upon the exercise of the ICDL Exit Right shall be the sum of the Subscription Value actually paid by the Investor and the outstanding shareholder loan and interest provided by the Investor to the Target Company and Project Company (if any) (the "**Sum of Subscription Value and the Outstanding Shareholder Loan**"), plus 12% compound annual return on the Sum of Subscription Value and the Outstanding Shareholder Loan, minus the profits of the Investor received from the Target Company.

In determining the percentage of compound annual return on the Sum of Subscription Value and the Outstanding Shareholder Loan, the Board has made reference to the coupon rate of 12% for the US$-denominated guaranteed senior notes due 2023 issued by Gemstones International Limited (carrying on business in Hong Kong as 綠璽國際有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. For further details for the US$-denominated guaranteed senior notes, please refer to the announcements of the Company dated 20 February 2020, 25 February 2020, 3 March 2020 and 4 March 2020. Since the above US$-

denominated guaranteed senior notes are listed on the Singapore Exchange Securities Trading Limited and are freely tradable by the public, the Company considers that the 12% coupon rate is a fair and reasonable interest rate to be paid by ICDL to the Investor.

If ICDL elects not to exercise the ICDL Exit Right during the specified period, the proportion of profit and loss sharing for the Investor in relation to the profit and loss which may be derived from Phases III and IV of the Project shall be increased from 20% to 40%. The triggering events of the ICDL Exit Right as stated above represent cash flow issues for the Project and would lead to a delay in the construction and completion of Phases III and IV of the Project. If ICDL does not elect to purchase all of the equity in the Target Company and debts (if any) in the Target Company and the Project Company held by the Investor, the Investor would remain as a shareholder of the Target Company and may inevitably have to provide more funding to the Target Company and/or the Project Company to alleviate their cash flow problems. The increase in profit and loss sharing from 20% to 40% has been commercially agreed by both parties and was benchmarked against the increment of the same in the event that ICDL fails to pay the relevant consideration within the agreed timeframe upon the Investor's exercise of the Investor Exit Right. Further details of the Investor Exit Right are set out in the paragraph headed "The Cooperation Agreement – Investor Exit Right" below.

In light of the above, the Directors are of the view that in the event that ICDL elects not to exercise the ICDL Exit Right upon the occurrence of either of the above triggering events, the increase in profit and loss sharing for the Investor in relation to Phases III and IV of the Project from 20% to 40% would be reasonable compensation for the Investor to remain as a shareholder of the Target Company, and is fair and reasonable and in the interest of the Company and its shareholder as a whole.

If the ICDL elects to exercise the ICDL Exit Right, it will constitute an acquisition of asset by ICDL and the Company will comply with the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules as and when appropriate.

Investor Exit Right

If any of the following events occur, the Investor shall have the option (the "**Investor Exit Right**") to sell all or part of its equity or debt, if any, of the Target Company (including the debts of the Project Company) to ICDL, subject to obtaining the written consent from ICDL:

(i) the Project Company fails to obtain all four certificates or permits (i.e. state-owned land use certificate, construction land planning permit, construction project planning permit, and construction project construction permit) for Phases III and IV of the Project before 31 December 2025; or

(ii) ICDL and the Investor fail to reach an agreement in relation to the overall development and operating plan of Phase IV of the Project.

The transfer consideration of the equity and debts of the Target Company (including the debts of the Project Company) will be the higher of (i) the aggregated sum of the fair value of equity and debts of the Target Company to be transferred; or (ii) the Sum of Subscription Value and the Outstanding Shareholder Loan actually paid by the Investor, plus 12% compound annual return on the Subscription Value, minus the profits of the Investor received from the Target Company.

In determining whether to grant the written consent to the Investor for its exercise of the Investor Exit Right, ICDL will consider the following factors:

(i) the prospect of the property market in Shenzhen in the vicinity where the Project is located;

(ii) the prospect of onshore and offshore capital market as well as the financial position of the Group to assess whether the Group will be able to procure and/or provide sufficient funding to the Target Company and the Project Company to develop and manage the Project; and

(iii) the status of the Project and the anticipated timetable for obtaining all four certificates or permits for Phases III and IV of the Project.

The Company remains cautiously optimistic of the prospect of the Project as a whole. As a property developer in the Greater Bay Area with substantial experience in handling urban renovation projects similar to the Project, in the event that ICDL grants the written consent to the Investor to exit from the Target Company having considered the above factors, the Company is confident that the Group will be able to manage and operate Phases III and IV on its own and derive acceptable returns from the Project.

If ICDL refuses to grant the written consent to the Investor for its exercise of the Investor Exit Right, the Investor shall have no right to sell its equity or debt of the Target Company to ICDL and, accordingly, the Investor shall continue to hold its equity interest of the Target Company and continue to have the right and obligation to share 20% of profit and loss in relation to Phases III and IV of the Project. Under such mechanism, ICDL would have the veto right to prevent a sudden exit of the Investor from the Target Company pursuant to an exercise of the Investor Exit Right and maintain the status quo of the arrangements under the Cooperation Agreement, which would be in the interest of the Company and the Shareholders as a whole.

If the Investor elects to exercise the Investor Exit Right with the written consent obtained from ICDL, but ICDL or the Target Company fails to pay the relevant considerations within 45 working days from the date of receipt of notice in relation to the transfer of all of the equity held by the Investor, no matter whether the relevant equity transfer or capital reduction agreement or debt transfer agreement has been signed or not, ICDL shall elect to (i) increase the proportion of profit and loss sharing for the Investor in relation to the profit and loss of Phases III and IV of the Project from 20% to 40%; or (ii) adjust the compound annual return from 12% to 24%, and provide corresponding asset mortgages as performance guarantee and complete the registration of mortgages within 45 working days from the date of deadline of paying the relevant consideration. The increase in profit and loss sharing from 20% to 40% or the adjustment of the compound annual return from 12% to 24% is in the nature of a penalty to ICDL for its failure to pay the relevant consideration within the agreed timeframe and the respective increment rates were commercially agreed by both parties as the Directors considered the increments are reasonable in view of the magnitude of the triggering events.

The triggering events of the Investor Exit Right as stated above would lead to a delay in the construction and completion of Phases III and IV of the Project. Such delay will inevitably increase the completion costs of Phases III and IV of the Project (e.g. labour costs and finance costs) to be incurred by both parties, which may in turn reduce the return to be received by the Investor from Phases III and IV of the Project should the Investor remain a shareholder of the Target Company.

In addition, considering that (i) the Company has substantial experience in handling urban renovation projects similar to the Project and Phases III and IV of the Project are currently progressing in accordance with the timetable, the Directors are of the view that the chance for the occurrence of the triggering events of the Investor Exit Right is low; and (ii) ICDL has the right to refuse to grant the written consent to the Investor (which would prevent the occurrence of the profit and loss sharing increment or the compound annual return adjustment), the Directors are of the view that in the event that ICDL consents to the Investor's exercise of the Investor Exit Right but fails to pay the relevant consideration within the agreed timeframe, the increase in profit and loss sharing for the Investor in relation to Phases III and IV of the Project from 20% to 40%, or adjustment of compound annual return on the Subscription Value from 12% to 24%, would be reasonable compensation for the Investor to remain as a shareholder of the Target Company.

If the ICDL grants written consent to the Investor's exercise of the Investor Exit Right, it will constitute an acquisition of asset by ICDL and the Company will comply with the applicable requirements under Chapter 14 and Chapter 14A of the Listing Rules as and when appropriate.

Profit and loss sharing

The Investor does not have right to obtain the distributable profits nor the obligation to share the losses of Phases I and II of the Project, and also does not have the right to the other profits obtained from the other income of the Project Company. As for the remaining distributable profits (after-tax) and losses of Phases III and IV of the Project, the sharing proportion for the Company and the Investor shall be 80% and 20%, respectively.

PROPOSED USE OF PROCEEDS

The proceeds from the Deemed Disposal will be fully applied to Phases III and IV of the Project.

INFORMATION OF THE TARGET COMPANY AND THE PROJECT COMPANY

The Target Company is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the Latest Practicable Date, which is principally engaged in investment holding.

The Target Company, through its wholly-owned subsidiaries, indirectly owns 100% of the Project Company. The Project Company is the operating entity of the Project.

The Project is one of the major urban renewal projects of the Group which is located on Shahe Street, Nanshan District, Shenzhen City, the PRC, and adjacent to the Science and Technology Park and the Overseas Chinese Town with a capacity building area of 3.58 million square meters. The Project is currently under the development of four phases. As at the Latest Practicable Date, Phase I of the Project has successfully commenced and entered the stage of substantive development, and the Project Company in the stage of negotiating and entering into the demolition compensation agreements with the affected parties in relation to Phases II, III and IV of the Project.

In particular, the pre-sale of Phase I of the Project is expected to start in 2023. Approximately two years' time would be required from the start of construction of Phases II, III and IV of the Project to the date of pre-sale, and thereafter, an additional one to three years' time would be required for the completion of all development stages of Phases II, III and IV of the Project.

Below is a summary of the audited consolidated financial information of the Target Company and its subsidiaries prepared in accordance with China Accounting Standards for Business Enterprise:

	For the year ended 31 December 2021 *RMB' 000* *(approximately)*	**For the year ended 31 December 2020** *RMB' 000* *(approximately)*
Loss before taxation	97,749	134,499
Loss after taxation	79,719	69,584

As at 31 March 2022, the unaudited consolidated net liabilities of the Target Company and its subsidiaries were approximately RMB0.4 billion (approximately HK$0.5 billion).

INFORMATION OF THE INVESTOR

The Investor is a company established under the laws of the PRC with limited liability and an indirect non-wholly owned subsidiary of China Vanke Co., Ltd, a company listed on the Main Board of the Stock Exchange (Stock Code: 2202) and a Shareholder which holds approximately 5.89% of issued shares of the Company as at the Latest Practicable Date. The Investor is principally engaged in real estate development and operations. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, although China Vanke Co., Ltd holds approximately 5.89% of issued shares of the Company as at the Latest Practicable Date, the Investor and its ultimate beneficial owner (i.e. China Vanke Co., Ltd) are third parties independent of the Company and its connected persons.

INFORMATION OF THE GROUP AND ICDL

The Group is a leading property developer in the PRC which is principally engaged in property development and property investment businesses. The Group has been focusing on the development of high-value residential and commercial projects in core areas of major cities in Guangdong-Hong Kong-Macao Greater Bay Area over the years.

ICDL is a company established under the laws of Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company which is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT AND THE COOPERATION AGREEMENT

The Subscription would enable the Target Company to raise funds for the development of Phases III and IV of the Project and would reduce the reliance of the Target Company on the financial support from the Group. The Subscription also allows the Target Company to optimise its financial structure and support its subsequent business development in the market. By introducing the Investor, the Company believes that it would enhance the investors' confidence in the Group, and provide more financing options for the Group.

As one of the Conditions Precedent to Subscription, the Cooperation Agreement stipulates the specific terms and arrangements in relation to the operation and management of the Target Company and the Project Company, and governs the sharing of profits and losses in relation to the Project by the shareholders of the Target Company.

Accordingly, the Directors considers that the terms of the Subscription Agreement and the Cooperation Agreement and the transactions, including the Deemed Disposal, contemplated thereunder are on normal commercial terms, fair and reasonable, and the Subscription Agreement and the Cooperation Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Subscription constitutes a deemed disposal of the Group's equity interest in the Target Company under Rule 14.29 of the Listing Rules, and the Deemed Disposal constitutes a major transaction for the Company under the Listing Rules as one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated under Rule 14.06 of the Listing Rules in respect of the Deemed Disposal is more than 25% but all of the percentage ratios are less than 75%. The Subscription Agreement and the transactions contemplated thereunder are therefore subject to the reporting, announcement and shareholders' approval requirement under the Listing Rules.

As the right to the exercise of the ICDL Exit Right and the Investor Exit Right are both at the discretion of the Company, according to Rule 14.75(1) of the Listing Rules, on the grant of the ICDL Exit Right and the Investor Exit Right, only the premium (which is nil) will be taken into consideration for the purpose of calculating the percentage ratios.

The EGM will be convened by the Company to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder. As Mr. Wong Hong King, the controlling Shareholder holding approximately 74.01% of the issued shares of the Company as at the Latest Practicable Date, is indirectly interested in an aggregate of approximately 20% shareholding interests in ICDL, Mr. Wong Hong King will voluntarily abstain from voting on the resolutions at the EGM to approve the Subscription Agreement. China Vanke Co., Ltd, a Shareholder holding approximately 5.89% of the issued shares of the Company as at the Latest Practicable Date, is an indirect holding company of the Investor and will also abstain from voting on the resolutions at the EGM to approve the Subscription Agreement. Save as disclosed above, so far as the Company is aware, having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on the resolutions at the EGM to approve the Subscription Agreement.

EGM

The Company will convene the EGM at Meeting Room 1, Level 25, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on 18 July 2022 at 11:00 a.m. for the Shareholders to consider, and if thought fit, to approve, among other things, the Agreement and the transactions contemplated thereunder.

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. The voting on resolution to be proposed at the EGM will be conducted by way of poll in accordance with Rule 13.39(4) of the Listing Rules.

The Company will publish an announcement on the results of the EGM with respect to whether or not the proposed resolution has been passed by the Shareholders.

A form of proxy is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Unit 2501, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the relevant form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Board considers that the terms of the Subscription Agreement and the transactions, including the Deemed Disposal, contemplated thereunder are on normal commercial terms, fair and reasonable, and the Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions approving the Subscription Agreement and the transactions contemplated thereunder at the EGM.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
LVGEM (China) Real Estate Investment Company Limited
HUANG Jingshu
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 31 December 2019, 2020 and 2021, together with the relevant notes thereof are disclosed in the following documents:

(i) the annual report of the Company for the year ended 31 December 2019 published on 23 April 2020 (pages 55 to 205) which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042302137. pdf

(ii) the annual report of the Company for the year ended 31 December 2020 published on 26 April 2021 (pages 54 to 227) which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042601834. pdf

(iii) the annual report of the Company for the year ended 31 December 2021 published on 28 April 2022 (pages 54 to 234) which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042803411. pdf

2. STATEMENT OF INDEBTEDNESS

Borrowings

As at 30 April 2022, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had total borrowings with a carrying amount of approximately RMB33,038.8 million, comprising (i) approximately RMB42.2 million of unsecured and unguaranteed bank and other borrowings, (ii) approximately 3,687.1 million of unsecured and guaranteed bank and other borrowings, (iii) approximately RMB1,019.8 million of secured and unguaranteed bank and other borrowings, (iv) approximately RMB22,274.5 million of secured and guaranteed bank and other borrowings, (v) approximately RMB697.3 million of unsecured and guaranteed convertible bonds, (vi) approximately RMB538.4 million of unsecured and unguaranteed convertible bonds; (vii) approximately RMB3,185.0 million of unsecured and guaranteed senior notes, and (viii) approximately RMB1,594.5 million of unsecured and unguaranteed domestic corporate bond. Certain bank borrowings were secured by charges over property, plant and equipment, properties under development for sales, properties held for sale, investment properties, equity instrument at fair value through other comprehensive income, equity interest in certain subsidiaries, pledged bank deposits and assignment of the Group's revenue.

Amounts due to related parties

As at 30 April 2022, the Group had non-trade amounts due to related parties of RMB2,832.7 million which were unsecured and unguaranteed.

Lease Liabilities

As at 30 April 2022, the Group had lease liabilities of RMB160.2 million which were secured by rental deposits and unguaranteed.

Contingent Liabilities

As at 30 April 2022, the Group provided financial guarantees of approximately RMB2,096.2 million to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC. As at 30 April 2022, the Group provided financial guarantees of approximately RMB699.0 million to banks for certain independent third parties.

Save and except for the above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business as at 30 April 2022, the Group did not have any debt securities issued and outstanding, or otherwise created but unissued, or loan capital, or other borrowings or similar indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, or hire purchase commitments, or mortgages and charges, and there were no other material contingent liabilities nor guarantees.

3. WORKING CAPITAL STATEMENT

As at 30 April 2022, the Group has borrowings of RMB7,833.8 million repayable within one year, and convertible bonds of RMB538.4 million approaching maturity and due for repayment or renewal in May 2022, convertible bonds of RMB697.3 million and domestic corporate bonds of RMB1,395.2 million with the early redemption options and retractable options which start in May and August 2022, respectively. In addition, the Group has public senior notes with carrying amount of RMB3,185.0 million which will be matured on 10 March 2023. The Group might not have sufficient working capital to operate if such borrowings, convertible bonds and public senior notes are required to be repaid or redeemed and all other alternative operating and financing plans as described below cannot be implemented as planned. These conditions indicate that the existence of uncertainties of the working capital sufficiency and therefore, the Directors have reviewed the Group's cash flow forecasts which cover a period of not less than fourteen months from 1 May 2022.

Cash flow forecasts, which assume the continuity of normal business activity, indicate that the Group will have sufficient liquidity to meet its operational, existing contractual debt obligation and capital expenditure requirements for at least twelve month period from the date of this circular. Such cash flow forecasts include the following assumptions:

The Group has positive relationships with its financiers who are expected to continue to provide strong support to the Group in the following aspects:

1) Among the total convertible bonds of approximately RMB1,235.7 million, approximately RMB538.4 million, which was originally matured in May 2022, has extended the maturity date to May 2023 based on supplementary agreement entered in May 2022, and together with remaining RMB697.3 million, which the bondholder agreed not to exercise early redemption option until maturity date, shall be all matured in May 2023 in accordance with the scheduled repayment dates as set out in the respective convertible bonds subscription and supplementary agreements and the total amounts are assumed to be renewed upon or before the maturity date in May 2023;

2) The RMB denominated domestic corporate bonds with an aggregate principal amount of RMB1,400.0 million, embedded with retractable options, which shall be matured after twelve months from the date of this circular in accordance with the scheduled repayment dates as set out in the offering memorandum, are assumed not to be retracted by the corporate bondholders within twelve months from the date of this circular;

3) The United States Dollar ("US$") denominated public senior notes with an aggregate principal amount of US$470.0 million (equivalent to approximate RMB3,185.0 million) is assumed to be renewed upon or before the maturity date after considering the coupon rate and the past experience in launching the issuance and exchange offer of senior notes; and

4) The existing outbound guarantee facility arrangement with the banks in relation to the fund transmission from the PRC to Hong Kong is assumed to be feasible and effective, based on the past historical records.

5) The related parties of the Group have agreed not to demand for repayment for non-trade amounts of RMB2,832.7 million as of 30 April 2022 until the Group has the financial ability to do so.

In the event forecast cash flow is not achieved or the renewal of borrowings, convertible bonds and public senior notes do not undergo as planned, the Directors have also evaluated other plans that could be undertaken to improve their liquidity position as follow:

1) The Group is currently considering the loan financing offers provided by two equity fund investors with amounts not less than RMB3,000.0 million and US$500.0 million each and the loan periods are not less than 3 years;

2) The Group could adjust their original sale plan for some residential properties and commercial buildings to earlier stage (i.e. second half year of 2022) in order to generate additional funds not less than approximately RMB1,200.0 million;

Taking into account all assumptions and plans as described above and presently financial available resources including internally generated cash flows, bank balances and cash and the cash flow impact of the proposed major transaction in relation to deemed disposal of equity interest in a subsidiary of the Company, the Directors, after due and careful enquiry, are of the opinion that the working capital of the Group is sufficient for its present requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12).

Notwithstanding the above, uncertainty exists as to whether the renewal of borrowings, convertible bonds and public senior notes can be renewed and all other alternative operating and financing plans as the Group is still negotiating with its external financiers on the financing to the Group and the sales of properties depend on the market condition.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that since 31 December 2021, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, there were no material changes in the financial or trading position of the Group.

5. FINANCIAL AND TRADING PROSPECTS

With the recurring COVID-19 pandemic in various local areas, the economy shows the sign of stagnating during the strict lockdowns implementing in several cities, and the PRC government is looking for ways to prevent a decline in growth and restore the economy back to health.

As the real estate sector accounted for approximately 15% of the local economy, the PRC vice-premier Liu He has advocated easing rules for real estate companies, which indicates the regulatory policies on the real estate market in the PRC are expected to continually relax throughout second half of to stimulate the economy in the wake of the domestic slowing growth. The PRC government currently insists stability as top priority, therefore the restoration of a virtuous circle for the domestic property market is gradually promoted. The Group will seize this policy-easing opportunity to proactively promote the contract sales, relieve liquidity stresses, and improve low market confidence in the second half of 2022.

Look ahead, further development of the Guangdong-Hong Kong-Macao Greater Bay Area continues its pace and construction of large-scale infrastructure is completing one after another, fostering enhanced synergies among regions. As such, the market capacity continues to expand and the economy of the Greater Bay Area is booming. The Guangdong-Hong Kong-Macao Greater Bay Area has gradually become the forerunner of the PRC's modern urban agglomeration. The Greater Bay Area is in line with the national development strategy and is predicted to be one of the most open and economically robust regions in the PRC in next decades. With the gradually evolving advantages arising from the strategic vision and planning of the Guangdong-Hong Kong-Macao Greater Bay Area and the continuous inflow of permanent residents, there will be great upside potential of market prospects.

As a leader in urban renewal, the Company focused on development in the Greater Bay Area for over thirty years, adhering to regional development and actively participating in the residential and commercial development of urban renewal in the Greater Bay Area based on the planning and layout of "Focusing on Core Cities and Cities' Core Areas". Leveraging its rich experience and resources, the Group has laid a solid foundation and grown into a unique real estate developer and regional leading enterprise among the core cities in the Greater Bay Area.

The Company is continuing to develop urban renewal projects with great potential in the first half of 2022, including: Shenzhen Baishizhou Project, Shenzhen LVGEM Liguang Project, Phase II of Zhuhai Dongqiao Urban Renewal Project, LVGEM International Garden Project and Phase II of Shenzhen LVGEM Mangrove Bay No.1 Project, which made great progresses. Also, the Group is still deepening the research on the projects to be introduced by the controlling shareholder in the future which include the planning of industrial parks and centralised commercial clusters. The Group intends to develop a business model integrating industries and cities, so as to achieve the strategic objectives of "unique properties, resources- linked properties and smart properties". The Group will actively respond to the national strategy of carbon peak and carbon neutrality, explore the construction standards of low- carbon and zero-carbon urban areas with various partners, and incorporate the "green" concept into the cities, thereby contributing sustainable social and economic benefits.

In the future, it is expected the Group will be able to seize the huge opportunities brought by the construction and development of the Greater Bay Area, pursuing the grand vision of "being the most respected city value-creator in the PRC". Adhering to the flexible and prudent financial policies, the Group will place emphasis on creating high-quality living environment and people-oriented development and innovation, fulfilling the expectations of all sectors of the community.

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with their valuation as at 31 March 2022 of the 100% equity interest in Shenzhen Sida Industrial Development Co., Ltd.

仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

30 June 2022

The Board of Directors
LVGEM (China) Real Estate Investment Company Limited
Unit 2501, NEO
123 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Dear Sirs,

In accordance with your instructions, we have undertaken a valuation which requires Jones Lang LaSalle Corporate Appraisal and Advisory Limited to express an independent opinion of the market value of the 100% equity interest in Shenzhen Sida Industrial Development Co., Ltd. (深圳市四達實業發展有限公司, the "**Target Company**") as at 31 March 2022 (the "**Valuation Date**"). The report which follows is dated 30 June 2022 (the "**Report Date**").

The purpose of this valuation is for your internal reference and the inclusion in your public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as "*estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on our use of numerous assumptions and our consideration of various factors that are relevant to the operation of the Target Company. We have also considered various risks and uncertainties that have potential impact on the Target Company.

We do not intend to express any opinion in matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the market value of the 100% equity interest in the Target Company as at the Valuation Date is RMB33,047,000,000.

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Simon M.K. Chan
Executive Director

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INTRODUCTION

This report has been prepared in accordance with instructions from LVGEM (China) Real Estate Investment Company Limited (the "**Company**") to express an independent opinion of the market value of the 100% equity interest in Shenzhen Sida Industrial Development Co., Ltd. (深圳市四達實業發展有限公司, the "**Target Company**") as at 31 March 2022 (the "**Valuation Date**"). The report which follows is dated 30 June 2022 (the "**Report Date**").

PURPOSE OF VALUATION

The purpose of this valuation is for your internal reference and the inclusion in your public disclosure.

BASIS OF OPINION

Our valuation was carried out on a market value basis. Market value is defined as "*estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

BACKGROUND

Shenzhen Sida Industrial Development Co., Ltd. (深圳市四達實業發展有限公司, the "**Target Company**") is a company established in 2017 in the PRC with limited liability, which is principally engaged in investment holding.

The Target Company, through its wholly-owned subsidiaries, indirectly owns 100% of Shenzhen LVGEM Tiansheng Industry Company Limited (深圳市綠景天盛實業有限公司, the "Project Company"), which is involved in the Shahe Wucun Urban Renewal Unit Project (the "**Target Property 1**"). In addition, the Target Company indirectly owns investment properties comprising of six commercial units in Nanshan, Shenzhen (the "**Target Property 2**").

The Target Property 1 is located at the northern side of Shennan Avenue and the eastern side of Shahedong Road in Nanshan district, Shenzhen City, Guangdong Province, PRC. According to the information provided by the Target Company, the Target Property 1 includes four phases. As at the valuation date, Phase I of the Target Property 1 is under development. Phases II to IV of the Target Property 1 is a site with existing buildings to be demolished. The Target Property 1 is planned to be redeveloped to a development complex with residential, commercial, apartments, hotel and various other types of buildings. The Target Property 1 is subject to Shahe Wucun Urban Renewal Unit Project. As advised by the Target Company, the Target Property 1 has a site area of approximately 303,792 sq.m. and the planned gross floor area is approximately 4,848,986 sq.m. The land use rights of Phase I of the Target Property 1 have been granted to the Project Company while Phases II to IV of the Target Property 1 is in the phase of housing demolition and relocation as at the Valuation Date.

The Target Property 2 is located at the northern side of Dongbin Road and the eastern side of Houhai Avenue in Nanshan district, Shenzhen City, Guangdong Province, PRC. The Target Property 2 includes six commercial units on the first floor of a residential development.

ASSUMPTIONS

In determining the 100% equity interest in the Target Company, including the value of the Target Property 1& 2, the following key assumptions have been made:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;
- The operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- We have assumed that there are no hidden or unexpected conditions associated with the Target Company that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.
- In valuing the Target Property 1& 2, our valuation has been made on the assumption that the seller sells the property interests on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the Target Property interests.
- We have relied to a very considerable extent on the information given by the management of the Target Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

APPROACH AND METHODOLOGY

In arriving at our assessed value for the 100% equity interest in the Target Company, we have applied the summation method under the cost approach in determining our opinion of value. The summation method is typically adopted for valuation subject when its value is primarily a factor of the value of the valuation subject's holding assets and liabilities. In this valuation, the value of the Target Property 1 is the primary factor of the value of the Target Company. Under the summation method, each identifiable asset and liability of the Target Company is being valued using the appropriate valuation approaches, and our opinion of value of the 100% equity interest in the Target Company is derived by adding component assets and deducting component liabilities. In this report, we had considered the type of assets and liabilities and their conditions when arriving at their market values. We adopted appropriate valuation methodology for each different class of assets and liabilities.

Assets	**Valuation Approach & Methodology**
Accounts receivable; Deposits paid, prepayments and other receivables; Pledged bank deposits; Bank balances and cash; Deferred tax assets	Based on the management account provided by the Target Company.
Properties under development for sale	Based on the Valuation Report of the Target Property 1 issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
Investment properties	Income approach is applied to the Target Property 2 by taking into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the Market Value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.
Plant and equipment	Cost approach is applied to electronic equipment, furniture and other fixed assets.
Equity instruments	Market approach is applied to equity instruments. Market Value of equity investments was developed through application of the market approach technique known as the guideline public company method. This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the Market Value of the target. It is considered that the suitable multiple in this valuation is P/B ratio.
Liabilities	**Valuation Approach & Methodology**
Accounts payable; Unearned revenue; Deposits received and other payables; Amounts due to related parties; Short term borrowings; Long term borrowings	Based on the management account provided by the Target Company.

BOOK VALUES OF ASSETS AND LIABILITIES

The table below summarizes the book values of assets and liabilities of the Target Company as at the Valuation Date, which are provided by the management of the Target Company.

Shenzhen Sida Industrial Development Co., Ltd.	**Book Value** *(RMB)*
Total Assets	**7,172,193,083**
Accounts receivable	8,118,768
Deposits paid, prepayments and other receivables	859,141,796
Pledged bank deposits	154,667,124
Bank balances and cash	55,310,116
Properties under development for sale	5,944,192,700
Investment properties	12,008,443
Plant and equipment	585,953
Equity instruments	43,866,000
Deferred tax assets	94,302,183
Total Liabilities	**7,597,696,831**
Accounts payable	842,677,464
Unearned revenue	4,232
Deposits received and other payables	878,226,689
Amounts due to related parties	2,680,288,447
Short term borrowings	1,000,000
Long term borrowings	3,195,500,000
Equity	**(425,503,749)**

VALUATION COMMENTS

In general, we have undertaken the necessary and appropriate valuation procedures in the valuation of the subject items as at the Valuation date. The methodologies adopted are generally considered being suitable with regard to the nature of the relevant assets and liabilities.

Commentary on the Impact of Novel Coronavirus COVID-19 on Valuation

We are instructed to provide our opinion of value as per the Valuation Date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the Valuation Date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world.

As of the Report Date, China's economy is experiencing gradual recovery and it is anticipated that disruption to business activities will steadily reduce. We also note that market activity and market sentiment in this particular market sector remains stable. However, we remain cautious and we recommend that you keep the valuation of assets under frequent review.

OPINION OF VALUE

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the 100% equity interest in the Target Company as at the Valuation Date is RMB33,047,000,000. The details are as follows:

Shenzhen Sida Industrial Development Co., Ltd.	**Market Value** *(RMB)*
Total Assets	**40,644,434,480**
Accounts receivable	8,118,768
Deposits paid, prepayments and other receivables	859,141,796
Pledged bank deposits	154,667,124
Bank balances and cash	55,310,116
Properties under development for sale	39,413,200,000
Investment properties	16,100,000
Plant and equipment	1,343,494
Equity instruments	42,251,000
Deferred tax assets	94,302,183
Total Liabilities	**7,597,696,831**
Accounts payable	842,677,464
Unearned revenue	4,232
Deposits received and other payables	878,226,689
Amounts due to related parties	2,680,288,447
Short term borrowings	1,000,000
Long term borrowings	3,195,500,000
Equity*	**33,047,000,000**

* *Amount is rounded to nearest 1,000,000.*

LIMITING CONDITIONS

This report and opinion of value are subject to our Limiting Conditions as attached.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Simon M.K. Chan
Executive Director

LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our reports were used as part of the Company's/engagement parties' analysis in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the subject property rests solely with the Company/engagement parties.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the Board of the Company/engagement parties have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results forecasted by the Company/engagement parties because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This report has been prepared solely for internal use purpose. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.

11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation/Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation.

13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company/engagement parties and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company/engagement parties and other sources. Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

17. The management or staff of the Company/engagement parties and/or its representatives have confirmed to us that the transaction or themselves or the parties involved in the pertained assets or transaction are independent to our firm and JLL in this valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independency in our work, the Company/engagement parties and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

VALUERS' PROFESSIONAL DECLARATION

The following valuers certify, to the best of their knowledge and belief, that:

– Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.

– The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.

– The reported analyses, opinions, and conclusions are independent and objective.

– The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

– The valuers' compensation is not contingent upon the quantum of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

– The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.

– The under mentioned persons provided professional assistance in the compilation of this report.

Simon M.K. Chan *Executive Director*	**Kevin C.W. Chan** *Senior Director*
Hunter Z.W. He *Senior Director*	**Eugene Y.Z. Zhou** *Senior Manager*

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 March 2022 of the property interests held by Shenzhen LVGEM Tiansheng Industry Company Limited.

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Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

30 June 2022

The Board of Directors

LVGEM (China) Real Estate Investment Company Limited
Unit 2501, NEO
123 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Dear Sirs,

In accordance with the instruction of LVGEM (China) Real Estate Investment Company Limited (the "**Company**") to value the selected property interests held by Shenzhen Sida Industrial Development Co., Ltd. (深圳市四達實業發展有限公司, the "**Target Company**", an indirect non-wholly owned subsidiary of the Company) and its subsidiaries in the People's Republic of China (the "**PRC**") for the purpose of deemed disposal of the equity interest of the Target Company, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 31 March 2022 (the "**valuation date**") for disclosure purpose.

The assets of the Target Company consist mainly of property and the selected property interests have a carrying amount of over 1% of total assets of the Company and therefore the valuation of the property interest is required to be included in this circular. The carrying amount of the property interest not valued held by the Target Company and its subsidiaries is below 1% of the Company's total assets. The total carrying amount of property interests not valued do not exceed 10% of the Company's total assets.

The selected property interests, Shahe Wucun Urban Renewal Unit (沙河五村城市更新單元) held by Shenzhen LVGEM Tiansheng Industry Company Limited (深圳市綠景天盛實業有限公司, the "**Project Company**", an indirect wholly-owned subsidiary of the Target Company), is one of the major urban renewal projects of the Company and its subsidiaries which is located in Shahe Street, Nanshan District, Shenzhen City, the PRC, and adjacent to the Science and Technology Park and the Overseas Chinese Town with a capacity building area of approximately 3.58 million square meters. Shahe Wucun Urban Renewal Unit is currently under the development of four phases. As at the Latest Practicable Date, Phase I of Shahe Wucun Urban Renewal Unit has successfully commenced and entered the stage of substantive development, and the Project Company is in the stage of negotiating and entering into the demolition compensation agreements with the affected parties in relation to Phases II, III and IV of Shahe Wucun Urban Renewal Unit.

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing of the property interest in Group I which is currently under development, we have assumed that it will be developed and completed in accordance with the latest development proposals provided to us by the Company. In arriving at our opinion of values, we have adopted the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Company according to the different stages of construction of the subject properties as at the valuation date and we did not find any material inconsistency from those of other similar developments.

In arriving at the value of land portion of the property interest in Group I and the property interest in Group II, we have adopted the comparison approach by making reference to comparable market transactions to arrive at the market value of the land portion in existing state. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors and the actual rental subsidy and associated cost of housing demolition, relocation and resettlement..

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Construction Land Use Rights Grant Contracts, Construction Land Planning Permits, Real Estate Title Certificate, Construction Work Planning Permits, Construction Work Commencement Permits and other official plans relating to the property interest in the PRC and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property in the PRC and any material encumbrance that might be attached to the property or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC Legal Adviser – Beijing Global (Shenzhen) Law Office, concerning the validity of the properties in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in May 2022 by Mr. Jimmy Gu, Mr. Samuel Feng and Mr. Edward Ye. Mr. Jimmy Gu, Mr. Samuel Feng and Mr. Edward Ye have more than 4 to 8 years' experience in the valuation of properties in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB) in respect of all the properties.

We are instructed to provide our opinion of values as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on 11 March 2020 has caused much disruption to economic activities around the world. As of the report date, China's economy has recovered and most business activities have been back to normal. We also note that market activity and market sentiment in these particular market sectors remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of these properties under frequent review.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Gilbert C.H. Chan
MRICS MHKIS RPS (GP)
Senior Director

Notes: *Gilbert C.H. Chan is a Chartered Surveyor who has 29 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.*

SUMMARY OF VALUES

Abbreviation:

Group I: Property interest held under development by the Project Company in the PRC

Group II: Property interest to be acquired in the future by the Project Company in the PRC

No.	Property	Market value in existing state as at the valuation date *RMB*	Market value in existing state as at the valuation date *RMB*	The total market value in existing state as at the valuation date *RMB*
		Group I:	**Group II:**	
1.	Phase I of Shahe Wucun Urban Renewal Unit Located in Shahe Street Nanshan District Shenzhen City Guangdong Province The PRC (沙河五村城市更新單元一期)	10,268,800,000	—	10,268,800,000
2.	Phases II to IV of Shahe Wucun Urban Renewal Unit Located in Shahe Street Nanshan District Shenzhen City Guangdong Province The PRC (沙河五村城市更新單元二至四期)	—	No commercial value	No commercial value
	Total:	**10,268,800,000**	**Nil**	**10,268,800,000**

VALUATION CERTIFICATE

Group I: Property interest held under development by the Project Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2022 *RMB*
1.	Phase I of Shahe Wucun Urban Renewal Unit Located in Shahe Street Nanshan District Shenzhen City Guangdong Province The PRC (沙河五村城市更新單元一期)	Shahe Wucun Urban Renewal Unit is located in Shahe Street, Nanshan District, Shenzhen City. It is well-served by public transportation with about 25 minutes' driving distance to Shenzhenbei Railway Station and about 30 minutes' driving distance to Shenzhen Bao'an International Airport. The locality of Shahe Wucun Urban Renewal Unit is well-developed residential and commercial area served with public facilities and transportation. Shahe Wucun Urban Renewal Unit is planned to be redeveloped into a complex including residential, retail, shopping mall, office, apartment, hotel and resettlement properties in four phases subject to an approved urban renewal unit plan. The property is Phase I of Shahe Wucun Urban Renewal Unit. It comprises 2 parcels of land with a total site area of approximately 61,540.39 sq.m., which is being developed into a residential and commercial development. The property is under development as at the valuation date and is scheduled to be completed in September 2026. The usage and gross floor area details of the property are set out in note 8. As advised by the Company, the construction cost of the property is estimated to be approximately RMB9,636,000,000, of which approximately RMB271,000,000 had been incurred up to the valuation date. As advised by the Company, the unpaid rental subsidy and associated cost of housing demolition, relocation and resettlement is approximately RMB1,212,500,000 as at the valuation date. The land use rights of the property have been granted for terms of 70 years expiring on 9 September 2091 for residential and commercial uses.	As at the valuation date, the property was under development.	10,268,800,000 (See note 12.b)

Notes:

1. Pursuant to a State-owned Construction Land Use Rights Grant Contract dated 30 September 2021 – Shen He Di Zi (2021) No. N006, the land use rights of a parcel of land with a site area of approximately 30,568.31 sq.m. were contracted to be granted to the Project Company for a term of 70 years expiring on 9 September 2091 for residential and commercial uses. The total land premium was RMB809,338,714. As at the valuation date, the land premium has been fully paid by the Project Company.

2. Pursuant to a State-owned Construction Land Use Rights Grant Contract dated 27 December 2021 – Shen He Di Zi (2021) No. N009, the land use rights of a parcel of land with a site area of approximately 30,972.08 sq.m. were contracted to be granted to the Project Company for a term of 70 years expiring on 9 September 2091 for residential and commercial uses. The total land premium was RMB971,223,360. The premium shall be paid by instalments and as at the valuation date, the outstanding land premium is RMB485,611,680 which is stipulated to be paid before 16 December 2022.

3. Pursuant to 2 Construction Land Planning Permits – Di Zi Di Nos. 440305202100039 and 440305202100040, permissions towards the planning of 2 parcels of land with a total site area of approximately 61,540.39 sq.m. have been granted to the Project Company.

4. Pursuant to a Real Estate Title Certificate – Yue (2022) Shen Zhen Shi Bu Dong Chan Quan Di No. 0034064, the land use rights of a parcel of land with a site area of approximately 30,568.31 sq.m. have been granted to the Project Company for a term of 70 years expiring on 9 September 2091 for residential and commercial uses.

5. For the other land parcel of the property mentioned in note 2, as at the valuation date, we have not been provided with any Real Estate Title Certificate. As advised by the Company, the Project Company can obtain the Real Estate Title Certificate of such land parcel after the outstanding land premium mentioned in note 2 is fully paid.

6. Pursuant to 2 Construction Work Planning Permits – Shen Gui Hua Zi Yuan Jian Xu Zi Nos. NG-2021-0014 and NG-2022-0001, the property with a total gross floor area of approximately 988,743.28 sq.m. have been approved for construction.

7. Pursuant to 2 Construction Work Commencement Permits – Nos. 2105-440305-04-01-26567304 and 2105-440305-04-01-26567306 in favour of the Project Company, permissions by the relevant local authority were given to commence the construction of the property with a total gross floor area of approximately 988,743.28 sq.m.

8. According to the information provided by the Company, the planned gross floor area of the property is set out as below:

Usage	Planned Gross Floor Area *(sq.m.)*	Nos. of car parking spaces
Residential	157,054	
Commercial	36,449	
Apartment	99,918	
Resettlement residential	185,004	
Resettlement commercial	44,208	
Resettlement apartment	149,714	
Aboveground ancillary facilities	53,141.38	
Underground car parking spaces	251,260.89	4,329
Underground road	2,244.01	
Underground ancillary facilities	9,750	
Total:	**988,743.28**	**4,329**

9. As advised by the Company, the unpaid rental subsidy and associated cost of housing demolition, relocation and resettlement is approximately RMB1,212,500,000 as at the valuation date.

10. Pursuant to a Mortgage Contract – No. DY39081807001-5 entered into between the Project Company and China Everbright Bank Co., Ltd. Shenzhen Branch (中國光大銀行股份有限公司深圳分行), the land use rights of a parcel of land mentioned in note 4 is subject to a mortgage in favour of China Everbright Bank Co., Ltd. Shenzhen Branch (中國光大銀行股份有限公司深圳分行).

11. The market value of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB30,843,000,000.

12. Our valuation has been made on the following basis and analysis:

    a. In determining the market value of the property as if completed as at the valuation date, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB110,000 to RMB130,000 per sq.m. for residential units, RMB120,000 to RMB150,000 per sq.m. for shopping mall on the first floor and RMB90,000 to RMB110,000 per sq.m. for apartment units. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property. As confirmed by the

Company, the resettlement residential, commercial and apartment properties would be constructed by the Project Company and handed over after completion for free for resettlement. We have considered such issues in our valuation; and

b. The outstanding land premium mentioned in note 2 is assumed to be fully paid as at the valuation date.

13. We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisers, which contains, *inter alia*, the following:

a. The Project Company has obtained the land use rights of one parcel of land of the property mentioned in note 4. In accordance with the Shenzhen Land Use Rights Grant Contract and Real Estate Title Certificate of such parcel of land of the property and subject to the relevant mortgage contracts (if any), the Project Company can occupy, use, lease, transfer, mortgage or otherwise legally dispose of the aforesaid land use rights within the land use rights term and the scope of the rights and interests to which the Project Company is legally entitled;

b. The Project Company has obtained requisite permits, approvals and certificates of the construction in progress mentioned in notes 6 and 7 in respect of the current development progress;

c. The Project Company has been qualified as the operating entity of the property and will have the rights to develop the property; and

d. In respect of the parcel of land of the property mentioned in note 5, after land premium as stipulated in the Shenzhen Land Use Rights Grant Contract entered into between the Project Company and competent authority and other relevant taxes are fully paid by the Project Company, there is no material legal impediment for the Project Company to obtain the relevant Real Estate Title Certificate of such land parcel of the property.

VALUATION CERTIFICATE

Group II: Property interest to be acquired in the future by the Project Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2022 *RMB*
2.	Phases II to IV of Shahe Wucun Urban Renewal Unit Located in Shahe Street Nanshan District Shenzhen City Guangdong Province The PRC (沙河五村城市更新單元二至四期)	Shahe Wucun Urban Renewal Unit is located in Shahe Street, Nanshan District, Shenzhen City. It is well-served by public transportation with about 25 minutes' driving distance to Shenzhenbei Railway Station and about 30 minutes' driving distance to Shenzhen Bao'an International Airport. The locality of Shahe Wucun Urban Renewal Unit is well-developed residential and commercial area served with public facilities and transportation. Shahe Wucun Urban Renewal Unit is planned to be redeveloped into a complex including residential, retail, shopping mall, office, apartment, hotel and resettlement properties in four phases subject to an approved urban renewal unit plan. The property comprises Phases II to IV of Shahe Wucun Urban Renewal Unit. According to the information provided by the Company and the Notice in relation to Approval of the change of Renewal Unit Planning of Shahe Wucun Urban Renewal Unit in Shahe Subdistrict, Nanshan District issued by Nanshan District People's Government - Shen Nan Fu Han (2021) No. 22 (深圳市南山區人民政府關於南山區沙河街道沙河五村城市更新單元規劃修改審批情況的通知, the "Planning Approval"), the property comprises 13 parcels of land with a total site area of approximately 242,252.70 sq.m., which will be redeveloped into a residential and commercial development. The usage and gross floor area details of the property are set out in note 2. As advised by the Company, the unpaid rental subsidy and associated cost of housing demolition, relocation and resettlement is approximately RMB9,123,200,000 as at the valuation date. The Project Company has not obtained the land use rights of the property.	As at the valuation date, there were some existing buildings and structures erected thereon to be demolished.	No commercial value (See note 6)

Notes:

1. According to the Planning Approval dated 25 February 2021, the planning of Shahe Wucun Urban Renewal Unit (including the property) has been approved.

2. According to the Planning Approval and the information provided by the Company, the planned gross floor area of the property is set out as below:

Usage	**Planned Gross Floor Area** *(sq.m.)*	**Nos. of car parking spaces**
Residential	210,525	
Indemnificatory housing	50,000	
Commercial	212,620	
Office	492,200	
Apartment	518,745	
Hotel	70,000	
Resettlement residential	646,815	
Resettlement commercial	114,600	
Resettlement office	175,230	
Resettlement apartment	351,185	
Underground car parking spaces	946,872.74	15,315
Other ancillary facilities	71,450	
Total:	**3,860,242.74**	**15,315**

3. As at the valuation date, there were some existing buildings and structures erected thereon to be demolished, the Project Company has not been qualified as operating entity of the property. We have not been provided with any State-owned Construction Land Use Rights Grant Contract or Real Estate Title Certificate of the property. As advised by the Company, the property is subject to an urban renewal unit plan and the land use rights of the property will be granted to the Project Company after the signing of the relocation compensation agreements of the property is finished and the conditions for the acquisition of the operating entity for the property will be fulfilled thereon. According to the information provided by the Company, as at the valuation date and Latest Practicable Date, the signing rates of the relocation compensation agreements of the property are approximately 90% and 92%, respectively. The signing of the relocation compensation agreement of the property is expected to be finished in 2023.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisers, which contains, *inter alia*, the following:

   a. There is no material legal impediment for the Project Company to obtain the written confirmation for being qualified as the operating entity of the property;

   b. After being qualified as the operating entity of the property, the Project Company will have the rights to develop the property and there will be no material legal impediment for the Project Company to sign the relevant land use rights grant contracts of the property with the competent authority; and

   c. After the Project Company signs the relevant land use rights grant contracts of the property with competent authority and land premium stipulated in the aforesaid contract and other relevant taxes are fully paid by the Project Company, there will be no material legal impediment for the Project Company to obtain the relevant real estate title certificates.

5. In the valuation of this property, we have made the following assumptions:

   a. According to the information provided by the Company, as at the valuation date, the Project Company has not been qualified as the operating entity of the property and has not obtained the land use rights of the property. We assume that the Project Company has obtained the title certificates of the land use rights of the property after paying the land premium according to relevant policies and regulations and the property can be freely transferred with no outstanding payable fees or monies;

b. After the conversion of land use, as advised by the Company, the land use rights of the property would be granted for the same condition as Phase I of Shahe Wucun Urban Renewal Unit which is 70 years for residential and commercial uses from the valuation date;

c. As confirmed by the Company, the resettlement residential, commercial and apartment properties would be constructed by the Project Company and handed over after completion for free for resettlement. We have considered such issues in our valuation; and

d. The land premium of the property is assumed to be fully paid as at the valuation date.

6. In the valuation of this property, we have attributed no commercial value to the property of which the State-owned Construction Land Use Rights Grant Contract or Real Estate Title Certificate have not been obtained by the Project Company. However, for reference purpose, we are of the opinion that the market value under the aforesaid assumptions mentioned in note 5 as at the valuation date would be RMB37,172,200,000. According to the information provided by the Company, as at the valuation date, the expected land premium is approximately RMB8,027,800,000. As instructed by the Company, the calculated amount after deducting the expected land premium from the market value under the aforesaid assumptions of the property is RMB29,144,400,000.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(a) Interests and short positions of directors and chief executives in share, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests or short positions of each of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of the Director	Capacity	Number of ordinary Shares interest (Note 1)	Approximate percentage of the issued share capital of the Company
Ms. HUANG Jingshu	Beneficiary of a trust	2,400,000,000 (Note 2)	47.08%
	Interest of spouse	2,326,062,492 (Note 3)	45.63%
	Personal interest	4,500,000 (Note 4)	0.09%
Mr. TANG Shouchun	Personal interest	10,000,000 (Note 4)	0.20%
Mr. YE Xingan	Personal interest	10,000,000 (Note 4)	0.20%
Mr. HUANG Hao Yuan	Beneficiary of a trust	2,400,000,000 (Note 2)	47.08%
	Personal interest	4,500,000 (Note 4)	0.09%
Ms. LI Yufei	Personal interest	20,000	0.00%
Mr. WANG Jing	Personal interest	3,000,000 (Note 4)	0.06%
Ms. HU Gin Ing	Personal interest	3,000,000 (Note 4)	0.06%

Notes:

(1) All the above interests in the Shares are long positions.

(2) Ms. HUANG Jingshu and Mr. HUANG Hao Yuan are deemed to be interested in 2,400,000,000 shares in the Company by virtue of them being beneficiaries of the family trust of Mr. WONG Hong King for the purpose of Part XV of the SFO.

(3) Ms. HUANG Jingshu is deemed to be interested in 2,326,062,492 convertible preference shares held by Mr. Xu Jun Jia, her spouse, for the purpose of Part XV of the SFO.

(4) Represent share options granted to the Directors on 28 June 2016.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO), or which required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the shares and underlying share of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of the company	Name of the Director	Position held by the Director in the Company
Kinson Group Limited	Ms. HUANG Jingshu	Director

3. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors was materially interested in any contracts or arrangements subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associates was considered to have an interest in any business which competes or is likely to compete or have any other conflict of interest, either directly or indirectly, with the business of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular which are or may be material:

(i) the Subscription Agreement;

(ii) the Cooperation Agreement;

(iii) the subscription agreement dated 25 August 2020 entered into between Greater Bay Area Intelligent City Limited, Affluent Trade Investments Limited and Mr. Wong Hong King pursuant to which Greater Bay Area Intelligent City Limited agreed to subscribe new ordinary shares in the share capital of Affluent Trade Investments Limited representing 70% of the enlarged issued share capital of Affluent Trade Investments Limited immediately upon completion of the subscription. For further details, please refer to the announcement of the Company dated 25 August 2020;

(iv) the subscription agreement dated 25 August 2020 entered into between Greater Bay Area Intelligent City Limited, Victor Success Investments Limited and Mr. Wong Hong King pursuant to which Greater Bay Area Intelligent City Limited agreed to subscribe new ordinary shares in the share capital of Victor Success Investments Limited representing 75% of the enlarged issued share capital of Victor Success Investments Limited immediately upon completion of the subscription. For further details, please refer to the announcement of the Company dated 25 August 2020; and

(v) the subscription agreement dated 25 August 2020 entered into between Greater Bay Area Intelligent City Limited, Multiple Ally Limited and Mr. Wong Hong King pursuant to which Greater Bay Area Intelligent City Limited agreed to subscribe new ordinary shares in the share capital of Multiple Ally Limited representing 75% of the enlarged issued share capital of Multiple Ally Limited immediately upon completion of the subscription. For further details, please refer to the announcement of the Company dated 25 August 2020.

Save as disclosed above, there is no material contract (not being entered into the ordinary course of business) entered into by any member of the Group within two years immediately preceding the Latest Practicable Date.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors were aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinions or advice contained in this circular:

Name	Qualification
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent professional valuer

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of its reports and/or letters (as the case may be) given as of the date of this circular and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been acquired, disposed of or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. GENERAL

(i) The company secretary of the Company is Mr. CHAN Kin Man, who is a member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accounts.

(ii) The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is Unit 2501, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

(iii) The principal share registrar and transfer office in Cayman Islands of the Company is Ocorian Trust (Cayman) Limited at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

(iv) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(v) This circular is in both English and Chinese. If there is any inconsistency, the English text shall prevail.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange and the Company from the date of this circular up to 14 days thereafter:

(a) each of the Subscription Agreement and the Cooperation Agreement;

(b) the valuation reports prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which are set out in Appendix II and Appendix III to this circular, respectively; and

(c) the written consent referred to in the paragraph headed "9. Expert and Consent" in this Appendix.

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綠景(中國)地產投資有限公司

LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(HKSE Stock Code: 95)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of LVGEM (China) Real Estate Investment Limited (the "**Company**") will be held at Meeting Room 1, Level 25, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Monday, 18 July 2022 at 11:00 a.m. (or any adjournment thereof) to consider and, if thought fit, pass the following resolution. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 30 June 2022.

ORDINARY RESOLUTION

"THAT the Subscription Agreement (a copy of which is tabled at the EGM and marked "A" and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder (including the Deemed Disposal) be and are hereby approved, confirmed and ratified, and any one Director be and is hereby authorised for and on behalf of the Company to execute and deliver all such documents, instruments and agreements and to take all steps as he or she considers necessary, desirable or expedient to implement and/or give effect to the Subscription Agreement and the transactions contemplated thereunder."

By order of the Board
LVGEM (China) Real Estate Investment Company Limited
HUANG Jingshu
Chairman

Hong Kong. 30 June 2022

Principal place of business in Hong Kong:
Unit 2501, NEO,
123 Hoi Bun Road,
Kwun Tong,
Kowloon, Hong Kong.

Notes:

1. To safeguard the health and safety of attendees, certain measures will be implemented at the extraordinary general meeting with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; and (b) wear surgical masks prior to admission to EGM venue; (ii) attendees who are subject to health quarantine prescribed by the HKSAR Government not being admitted to the EGM venue; (iii) all attendees being required to wear surgical masks throughout the EGM; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (v) no refreshment packs or coffee/tea being provided. The Company reminds

attendees that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances. The Company will keep monitoring the evolvement of the COVID-19 pandemic situation and may implement additional measures as and when appropriate.

2. Any member of the Company entitled to attend and vote at the EGM (or at any adjournment thereof) is entitled to appoint one or, if he holds two or more shares, more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. The Company would like to remind Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the Chairman of the EGM as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the Company's website (www.lvgem-china.com) or the Stock Exchange's website.

3. The register of members of the Company will be closed from 13 July 2022 to 18 July 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 12 July 2022.

4. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed or the certified copy thereof, must be deposited at the principal place of business of the Company at Unit 2501, NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting (or any adjournment thereof).

5. Completion and return of the form of proxy will not preclude members from attending and voting at the EGM (or at any adjournment thereof).

6. Shareholders are requested to telephone the Company's hotline at (852) 2123 9530 for arrangements of the EGM in the event that a number 8 (or above) typhoon or black rainstorm warning is hoisted on the day of the EGM.