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LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(HKSE Stock Code: 95)

INSIDE INFORMATION

SIGNIFICANT PROGRESS ON THE OFFSHORE RESTRUCTURING AND UPDATE ON WINDING UP PETITION

This announcement is made by LVGEM (China) Real Estate Investment Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”) pursuant to Rule 13.09 and Rule 13.25(1)(b) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

Reference is made to the announcement of the Company dated 24 March 2025 (the “**March 2025 Announcement**”) in relation to the management of the Group’s offshore liabilities, and the announcements dated 5 February 2025, 9 April 2025, 14 May 2025, 9 July 2025, 4 August 2025, 3 November 2025, 12 February 2026 and 1 June 2026 in relation to the Petition (together, the “**Announcements**”). Unless otherwise stated, capitalised terms used herein have the same meanings as in the Announcements.

1. GENERAL UPDATE ON THE PROPOSED RESTRUCTURING

Since the March 2025 Announcement, the Company, together with its financial adviser Alvarez & Marsal Corporate Finance Limited and its legal adviser Linklaters, has taken significant steps to advance the management of the Group’s offshore liabilities:

1.1. Consent Solicitation

As previously announced on 16 June 2026 and 14 July 2026, the Company (as guarantor) and its subsidiary Gemstones International Limited (as issuer) progressed a consent solicitation in respect of six series of guaranteed commercial paper notes issued in 2024 (the “**Consent Solicitation**”). The extraordinary resolution for each series was duly passed by relevant noteholders, with support ranging from 95.97% to 100% of the relevant series’ outstanding principal, and the Company is working towards satisfying the remaining implementation conditions. This high level of support reflects broad confidence in the Company’s offshore liability management strategy, of which the Proposed Restructuring is the next principal phase.

1.2. Restructuring Support Agreement

In parallel, the Company has been in negotiations with its offshore creditors on a broader restructuring of the Group’s material offshore indebtedness (the “**Proposed Restructuring**”). Following those discussions, on 30 September 2026, the Company entered into a restructuring support agreement (the “**RSA**”) with certain key creditors (the “**Initial Consenting Creditors**”, together with any further creditor that accedes to the RSA from time to time, the “**Consenting Creditors**”), pursuant to which the parties have agreed the principal terms of the Proposed

Restructuring and the Initial Consenting Creditors have undertaken to support its implementation on the terms set out in the RSA and the accompanying term sheet (the “**Term Sheet**”).

The broad support secured through the Consent Solicitation and the Initial Consenting Creditors’ entry into the RSA provide a cornerstone of creditor support for the next phase of the Group’s offshore restructuring.

1.3. Adjournment of Winding-Up Petition

Pursuant to a joint application by the Company, the Petitioner, and all other creditors on record by way of a Consent Summons dated and filed on 30 September 2026, the High Court made an order on 30 September 2026, further adjourning the hearing of the Petition to 6 April 2027.

The Company considers that this further consensual adjournment reflects the broad and continuing support of its creditors for the progress made to date and shows key creditors’ continued willingness to allow the Company time to progress the Proposed Restructuring. The Company intends to make use of this extended period to crystallise the outcome of its discussions with its creditor groups and to continue working towards a constructive and sustainable restructuring outcome for the benefit of all stakeholders.

2. KEY TERMS OF THE PROPOSED RESTRUCTURING

2.1. Method of Implementation

The Company intends to implement the Proposed Restructuring by way of a scheme of arrangement under Part 13 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Proposed Scheme**”) and/or, where its advisers consider necessary or advisable, any other similar process in any relevant jurisdiction.

A scheme of arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” that has been voted upon by the relevant class(es) of creditors and approved, at the relevant scheme meeting, by a majority in number of scheme creditors present and voting, representing 75% in value of scheme claims. It is not an insolvency procedure.

2.2. Key terms of the RSA

Under the RSA, and subject to its terms:

- a. the Company has undertaken, amongst other things, to (i) use all reasonable endeavours to implement the Proposed Restructuring on the terms set out in the RSA and the Term Sheet, (ii) obtain the regulatory, corporate and other approvals necessary to effect the Proposed Restructuring, (iii) continue to operate the Group’s business in the ordinary course pending completion, and (iv) keep the Consenting Creditors reasonably informed of progress; and
- b. each Consenting Creditor has undertaken, amongst other things, to (i) support and facilitate the implementation of the Proposed Restructuring, including by voting in favour of the Proposed Scheme and/or any parallel or similar process, (ii) refrain from any enforcement action that would delay or interfere with the implementation of the Proposed Restructuring, and (iii) refrain from formulating or supporting any alternative proposal inconsistent with the RSA or the Term Sheet.
- c. The Company has agreed to pay a fee in cash to eligible Consenting Creditors on the terms of the RSA.

2.3. Key terms of the Term Sheet

Restructuring consideration

Each creditor whose claims are to be compromised under the Proposed Scheme will be entitled to elect any one of or any combination of the following three options:

- a. **Option One – Short-Term Notes.** 100% of the principal claim will be exchanged for newly issued short-term notes of the Company (the “**Short-Term Notes**”) with a five-year maturity, with scheduled principal repayment beginning from the 36th month from the effective date of the Proposed Scheme. All accrued but unpaid interest in respect of such claim up to the effective date of the Proposed Scheme will be converted into ordinary shares of the Company at a price equal to 5 times the 90-day volume-weighted average price (the “**90-day VWAP**”) of the Company's shares ending on the trading day immediately before the relevant reference date. Thereafter, the Short-Term Notes will bear interest at 2% per annum payable annually in ordinary shares at a price equal to 1.5 times the 90-day VWAP prior to the relevant interest payment date. The Short-Term Notes will benefit from a corporate guarantee from the Company and a personal guarantee from Mr. Wong Hong King (黃康境).
- b. **Option Two – Long-Term Notes.** 100% of the principal claim will be exchanged for newly issued long-term notes of Intelligent City Development Limited (智慧城市發展有限公司) (the “**Long-Term Notes**”) with a ten-year maturity, with scheduled principal repayment beginning from the 66th month from the effective date of the Proposed Scheme. All accrued but unpaid interest in respect of such claim up to the effective date of the Proposed Scheme will be converted into ordinary shares of the Company at the same price formula as for the Short-Term Notes (being 5 times the 90-day VWAP prior to the relevant reference date). Thereafter, the Long-Term Notes will bear interest at 2% per annum payable in cash, save that during the first 60 months, 1% per annum may be payable in cash or shares at the Company's election at a price equal to 1.5 times the 90-day VWAP prior to the relevant interest payment date, and the remaining 1% per annum that is not so paid may be capitalised and included as part of the principal amount of the Long-Term Notes. The Long-Term Notes will benefit from the same credit enhancement package as the Short-Term Notes. In addition, the Long-Term Notes will benefit from first-ranking security over shares in 4 offshore holding entities within the Group, and a first-ranking charge over a debt service account into which certain proceeds from the Group's project situated at Baishizhou, Shenzhen will be swept to service amounts due under the Long-Term Notes.
- c. **Option Three – Full Equitisation.** 100% of the principal claim to be converted into ordinary shares of the Company at a price equal to 3 times the 90-day VWAP prior to the relevant reference date, and all accrued but unpaid interest in respect of such claims to be irrevocably and unconditionally waived.

The suite of options has been designed to accommodate the various investment horizons and objectives of different creditors, and thereby to broaden the base of support for, and increase the likelihood of successful implementation of, the Proposed Scheme.

Default option and re-allocation mechanism

If any creditor who is entitled to participate in the Proposed Scheme fails to submit a valid election by the applicable deadline, such creditor will be deemed to have elected Option Three in respect of the entirety of its relevant claim.

Option One and Option Two are uncapped. Option Three is subject to an aggregate cap of RMB 800,000,000 (the “**Option Three Cap**”). To the extent that elections for Option Three exceed the Option Three Cap, each electing holder’s allocation to Option Three will be reduced pro rata, and the excess will be reallocated automatically to Option One.

3. REQUEST FOR INFORMATION

The Company is reaching out to each relevant creditor to provide a copy of the RSA and the Term Sheet. The Company invites creditors who have received these documents to review them and contact the Company’s financial and legal advisers with any questions.

Any queries in relation to the Proposed Restructuring may be directed to the Company’s financial and legal advisers at the details below:

Alvarez & Marsal Corporate Finance Limited, as Restructuring Financial Adviser

14/F, St. George’s Building, 2 Ice House Street, Central, Hong Kong

Email: ProjectLVGEM@alvarezandmarsal.com

Linklaters, as Restructuring Legal Adviser

11/F, Alexandra House, Chater Road, Hong Kong

Email: dllvgemchina@linklaters.com

4. GENERAL

The Company will make further announcement(s) to inform shareholders and other investors of the Company of any material development on the Proposed Restructuring as and when appropriate in accordance with the requirements of the Listing Rules, the SFO and/or applicable laws, rules and regulations.

The implementation of the Proposed Restructuring is subject to a number of conditions and factors which are not within the sole control of the Company. There can be no assurance that the Proposed Restructuring will be successfully implemented on the terms currently contemplated or at all. Shareholders, holders of other securities of the Company and potential investors are accordingly (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time, and (ii) reminded to consider the related risks and to exercise caution when dealing in the securities of the Company. When in doubt, shareholders, holders of other securities and potential investors are advised to seek professional advice from their own professional or financial advisers.

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

Hong Kong, 5 October 2026

As at the date of this announcement, the executive directors of the Company are Ms. HUANG Jingshu (Chairman and Chief Executive Officer), Mr. YE Xingan, Mr. HUANG Hao Yuan and Ms. LI Yufei; and the independent non-executive directors of the Company are Mr. CHAN Koon Fat, Ms. JIAO Jie and Ms. WONG Ting Dan.