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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)

DISCLOSEABLE TRANSACTION

On 11 November 2016, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, the Target Company, the PRC Project Company, Zhuhai Seine Technology Co., Ltd. and Shenzhen LVGEM Entity Management, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Shares at the consideration of RMB2,100 million, subject to the Adjustment Mechanism. The Sale Shares represent 100% of the issued share capital in the Target Company.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. Accordingly, the Acquisition is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date: 11 November 2016

Parties:

- (1) the Purchaser;
- (2) the Vendor;
- (3) the Target Company;
- (4) the PRC Project Company;
- (5) 珠海賽納打印科技股份有限公司 (Zhuhai Seine Technology Co., Ltd.), a company affiliated with the Vendor and the Target Group; and
- (6) Shenzhen LVGEM Entity Management.

The Vendor is a company incorporated in the British Virgin Islands and is principally engaged in the business of investment holding. The Target Company is principally engaged in investment holding. The PRC Project Company is principally engaged in property investment, and Zhuhai Seine Technology Co., Ltd. is principally engaged in the production and sale of printers. Shenzhen LVGEM Entity Management is principally engaged in the business of investment holding.

To the best knowledge of the Directors, having made all reasonable enquiries, each of the Vendor, the Target Company, the PRC Project Company and Zhuhai Seine Technology Co., Ltd. is independent of and not connected with the Company and its connected persons.

Assets to be acquired

All of the Vendor's interest in the Sale Shares, representing 100% interest in the Target Company. The Target Company is interested in all of the registered capital in the PRC Project Company, which holds the rights to the land and properties of the Project.

Upon completion of the Acquisition, members of the Target Group will become subsidiaries of the Company.

Consideration and transfer of the Sale Shares

The aggregate consideration for the acquisition of the Sale Shares is RMB2,100 million, which was determined after arm's length negotiations with reference to the planned saleable GFA for the Project, which was the market price of properties as determined by the Company through its own research for properties in the neighbouring areas in Zhuhai.

The consideration will be subject to adjustment based on the actual saleable GFA as determined by the relevant regulatory authority. As the consideration is calculated based only on saleable GFA, the parties to the Agreement agreed that if the actual non-saleable GFA of the Project is more than 15,000 sq.m., then the Purchaser shall pay RMB2,750 per sq.m. to the Vendor for such non-saleable GFA. (the "**Adjustment Mechanism**").

The consideration will be satisfied by the internal resources of the Company. The consideration and the transfer of the Sale Shares will be handled in the following manner:

- (a) 10% of the consideration, equivalent to RMB210 million, will be payable within 21 business days after the date of signing of the Agreement and within 10 business days upon receipt of such amount, the Vendor will transfer 10% of the Sale Shares to the Purchaser;
- (b) 70% of the consideration, equivalent to RMB1,470 million, will be payable within one month of the PRC Governmental authorities granting approval for the urban redevelopment of the Project. Upon the receipt of this instalment of the consideration, the Vendor will within 10 business days (i) transfer 90% of the Sale Shares to the Purchaser; and (ii) terminate existing leases (if any); and
- (c) the balance of 20% of the consideration, equivalent to approximately RMB420 million subject to adjustments based on the Adjustment Mechanism, will be payable within one month after the Project has obtained the permit to commence construction.

Taking into consideration that Acquisition is the result of arm's length negotiations and based on market price of land in Zhuhai, the Directors are of the view that the terms and conditions of the Acquisition, including the consideration, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Other terms

The Purchaser shall be responsible for formulating and drawing up of the urban redevelopment plans. The Purchaser and the Vendor will both be responsible for the submission of the approval of the urban redevelopment plans.

Upon transfer of the 10% of the Sale Shares to the Purchaser, the Purchaser shall be given a right to appoint a director to the board of the Target Company except that the director will not participate in the management operations of the Target Company.

If the Purchaser fails to pay the first instalment of the consideration promptly, then the Purchaser shall pay a penalty based on the penalty rate of 0.05% per day for any unpaid amount, and if the Purchaser fails to pay the first instalment of the consideration for more than three months, the Vendor shall be entitled to terminate the Agreement and upon termination, the Purchaser shall pay RMB100 million of penalty. If the Purchaser fails to pay the second instalment of the consideration promptly, then the Purchaser shall pay a penalty based on the penalty rate of 0.05% per day for any unpaid amount, and if the Purchaser still fails to settle the second instalment for more than six months, the Vendor shall be entitled to terminate the Agreement and upon termination, the Purchaser shall pay RMB300 million of penalty. If the Purchaser fails to pay the third instalment of the consideration promptly, then the Purchaser shall pay a penalty based on the penalty rate of 0.05% per day for any unpaid amount. The abovementioned penalty obligations are guaranteed by Shenzhen LVGEM Entity Management.

If the Vendor fails to transfer 10% of the Sale Shares to the Purchaser as described under the item (a) under the paragraph headed “Consideration”, then the Vendor shall pay a penalty based on the penalty rate of 0.05% per day of the first instalment. If the Vendor fails to transfer 10% of the Sale Shares to the Purchaser for more than three months, the Purchaser shall be entitled to terminate the Agreement and upon termination, the Purchaser shall pay RMB100 million of penalty. If the Vendor fails to transfer 90% of the Sale Shares to the Purchaser as described under the item (b) under the paragraph headed “Consideration”, then the Vendor shall pay a penalty based on the penalty rate of 0.05% per day of the second instalment. If the Vendor fails to transfer 90% of the Sale Shares to the Purchaser for more than six months, the Purchaser shall be entitled to terminate the Agreement and upon termination, the Purchaser shall pay RMB300 million of penalty. 珠海賽納打印科技股份有限公司 (Zhuhai Seine Technology Co., Ltd.) has guaranteed the obligations of the Vendor under the Agreement.

INFORMATION ON THE TARGET GROUP

The Target Company is a private limited company incorporated in the British Virgin Islands. As at the date of this announcement, the Target Company is directly owned as to 100% by the Vendor. The Target Company is an investment holding company and is the registered and beneficial owner of the PRC Project Company. The sole business of the Target Company is the ownership of the PRC Project Company.

The PRC Project Company is a limited liability company incorporated in the PRC. It owns the land and the existing buildings at the 珠海東大凱威科技園 (Zhuhai Dongda Kaiwei Science Park) (the “**Project**”). The Project is located in Zhuhai and has a site area of approximately 79,525 sq.m., with existing factory buildings and dormitories of GFA of approximately 126,700 sq.m. built thereon. The Project has already received preliminary approval from the PRC Government authorities for urban redevelopment.

Financial information on the Target Group

The following information is the consolidated operating results of the Target Group for the two financial years ended 31 December 2014 and 31 December 2015:

	For the year ended 31 December (unaudited)	
	2014	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	1,599	3,531
Profit after taxation	1,199	2,648

The consolidated net assets value of the Target Group as at 31 October 2016 was RMB57 million.

Upon completion of the Acquisition, companies in the Target Group will become subsidiaries of the Group.

REASONS FOR THE ACQUISITION

The Group is principally engaged in property development and property investment in the PRC. The Target Group is interested in the properties and land of the Project which the Group could use for development. The Directors consider that the Acquisition a good opportunity for the Company to acquire land in Zhuhai for project development.

Given that the consideration was determined with reference to, among other things, market price of land as determined by the Group in Zhuhai, the Board consider that the terms and conditions of the Agreement are fair and reasonable and that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms of the Agreement;
“Agreement”	the sale and purchase agreement dated 11 November 2016 entered into between the Purchaser, the Vendor, the Target Company, the PRC Project Company, Zhuhai Seine Technology Co., Ltd. and Shenzhen LVGEM Entity Management in relation to the Acquisition;
“Board”	the board of Directors;
“Company”	LVGEM (China) Real Estate Investment Company Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Acquisition pursuant to the Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“GFA”	gross floor area;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Shenzhen LVGEM Entity Management”	深圳市綠景企業管理集團有限公司 (Shenzhen LVGEM Entity Management Group Co., Ltd.*), a company incorporated in the PRC and controlled by Mr. Wong Hong King’s family members and Mr. Wong Hong King is the substantial shareholder of the Company;
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement;
“PRC Project Company”	珠海凱威置業有限公司 (Zhuhai Kaiwei Property Co., Ltd.), a limited liability company established in the PRC, a wholly-owned subsidiary of the Target Company;
“Purchaser”	Zone Asia Investments (HK) Limited, a company incorporated in the Hong Kong, a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	all of the shares of the Target Company in issue;
“Shareholder(s)”	shareholder(s) of the Company;
“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Apex Leader Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Vendor;
“Target Group”	the Target Company and the PRC Project Company;
“Vendor”	Fresh Option International Limited, a company incorporated in the British Virgin Islands with limited liability; and
“%”	per cent.

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

Hong Kong, 11 November 2016

As at the date of this announcement, the executive directors of the Company are Miss HUANG Jingshu (Chairman), Mr. TANG Shouchun (Chief Executive Officer), Mr. YE Xingan, Mr. CHEN Tieshen and Ms. DENG Chengying; and the independent non-executive directors of the Company are Mr. ZHU Jiusheng, Mr. WANG Jing and Ms. HU Gin Ing.

** For identification purpose only*