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PROFIT WARNING

This announcement is made by LVGEM (China) Real Estate Investment Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (“**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the draft unaudited consolidated statements of the Group for the year ended 31 December 2021 and the information currently available to the management, the unaudited consolidated profit attributable to the owners of the Company for the year ended 31 December 2021 is expected to experience a decrease of approximately 70% as compared to the corresponding period in 2020. Such decrease was mainly due to (i) the absence of revaluation gain from its 25% equity interests (acquired in 2019) in Baishizhou Urban Renewal Project in the current year as compared to a gain recognised in the year ended 31 December 2020; (ii) the decrease in revenue from sales of properties in current year as compared to the year ended 31 December 2020; and (iii) the increase in finance costs in current year as compared to the year ended 31 December 2020, which was partially offset by the fair value gain on investment properties.

The information contained in this announcement is only based on the preliminary assessment by the management of the financial information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditor or the audit committee of the Company. The above information may be subject to adjustment based on further updated information, and following the completion of the audit by the Company’s auditors and the review by the Company’s audit committee. Detailed financial information of the Company will be disclosed in the results announcement of the Company for the year ended 31 December 2021, which is expected to be published in March 2022.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 23 March 2022

As at the date of this announcement, the executive directors of the Company are Ms. HUANG Jingshu (Chairman), Mr. TANG Shouchun (Chief Executive Officer), Mr. YE Xingan and Mr. HUANG Hao Yuan; the non-executive director of the Company is Mr. CHEN Wei Sheng; and the independent non-executive directors of the Company are Mr. WANG Jing, Ms. HU Gin Ing and Mr. MO Fan.