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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)

**CONNECTED TRANSACTION  
PROVISION OF FINANCIAL ASSISTANCE**

**Financial Adviser**



**中国平安资本(香港)**

**PING AN OF CHINA CAPITAL (HONG KONG)**

The Board hereby announces that on 28 April 2021:

- (i) the Borrower, an indirect non wholly-owned subsidiary of the Company, entered into the Maximum Credit Facility Agreement with the Bank, pursuant to which the Bank shall provide a credit facility in the principal amount of up to RMB287,800,000 to the Borrower for a term of 37 months;
- (ii) Shenzhen Credit, as a guarantor, entered into the Maximum Guarantee Agreement with the Bank in connection with the Maximum Credit Facility Agreement, pursuant to which Shenzhen Credit shall provide a financial guarantee in favour of the Bank for the repayment obligations of the Borrower in respect of the Credit Facility;
- (iii) Shenzhen Credit and the Borrower entered into the Entrusted Guarantee Agreement, pursuant to which Shenzhen Credit shall guarantee the Bank Guarantees to be issued by the Bank on behalf of the Borrower of a total amount up to RMB287,800,000; and
- (iv) Shenzhen Credit, Mr. Wong and Zhengxinglong Real Estate entered into the Counter-Guarantee Agreement, pursuant to which Mr. Wong and Zhengxinglong Real Estate shall provide counter-guarantees in favour of Shenzhen Credit on a joint and several basis to guarantee the payment of all liabilities and reasonable expenses which may be incurred by Shenzhen Credit under the Entrusted Guarantee Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Wong is indirectly interested in approximately 70.44% of the issued share capital of the Company and is the controlling shareholder of the Company. As the Company and Mr. Wong hold 80% and 20% equity interest in the Holding Company, respectively, the Borrower (which is a wholly-owned subsidiary of the Holding Company) is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules and the Counter-Guarantee to be provided by the Group will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Agreements and transactions contemplated thereunder exceeds 0.1% but less than 5%, it is subject to the reporting and announcement requirements but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Counter-Guarantee to be provided by Mr. Wong will be on normal commercial terms or better and no security over the assets of the Group will be granted in respect of the Counter-Guarantee to be provided by Mr. Wong. As such, the Counter-Guarantee to be provided by Mr. Wong will be exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

## **INTRODUCTION**

The Board hereby announces that on 28 April 2021:

- (i) the Borrower, an indirect non wholly-owned subsidiary of the Company, entered into the Maximum Credit Facility Agreement with the Bank, pursuant to which the Bank shall provide a credit facility in the principal amount of up to RMB287,800,000 to the Borrower for a term of 37 months;
- (ii) Shenzhen Credit, as a guarantor, entered into the Maximum Guarantee Agreement with the Bank in connection with the Maximum Credit Facility Agreement, pursuant to which Shenzhen Credit shall provide a financial guarantee in favour of the Bank for the repayment obligations of the Borrower in respect of the Credit Facility;
- (iii) Shenzhen Credit and the Borrower entered into the Entrusted Guarantee Agreement, pursuant to which Shenzhen Credit shall guarantee the Bank Guarantees to be issued by the Bank on behalf of the Borrower of a total amount up to RMB287,800,000; and
- (iv) Shenzhen Credit, Mr. Wong and Zhengxinglong Real Estate entered into the Counter-Guarantee Agreement, pursuant to which Mr. Wong and Zhengxinglong Real Estate shall provide counter-guarantees in favour of Shenzhen Credit on a joint and several basis to guarantee the payment of all liabilities and reasonable expenses which may be incurred by Shenzhen Credit under the Entrusted Guarantee Agreement.

## **THE MAXIMUM CREDIT FACILITY AGREEMENT**

Pursuant to the Maximum Credit Facility Agreement, the principal amount of the credit facility is up to RMB287,800,000.

The Credit Facility was made available to the Borrower for a term of 37 months to finance the provision of the Bank Guarantees to the Competent Authority. The terms such as draw down period, repayment and interest rate etc. will be determined upon the issuance of the respective letter of guarantee by the Bank, further details of which are set out in the section headed “The Bank Guarantees” below.

## **THE MAXIMUM GUARANTEE AGREEMENT**

On 28 April 2021, Shenzhen Credit, as a guarantor, entered into the Maximum Guarantee Agreement in favour of the Bank, pursuant to which Shenzhen Credit shall guarantee the repayment obligations of the Borrower under the Maximum Credit Facility Agreement. The principal amount guaranteed by Shenzhen Credit under the Maximum Guarantee Agreement is up to RMB287,800,000.

The scope of the Guarantee includes the principal and any interests payable to the Bank by the Borrower under the Maximum Credit Facility Agreement, handling fees, damages, compensation and any other related fees and expenses which may be payable by the Borrower under the Maximum Credit Facility Agreement.

The period of the Guarantee shall be 2 years from the expiry of the performance obligations of the Borrower under the Maximum Credit Facility Agreement.

## **THE ENTRUSTED GUARANTEE AGREEMENT**

On 28 April 2021, Shenzhen Credit and the Borrower entered into the Entrusted Guarantee Agreement, pursuant to which Shenzhen Credit shall guarantee the Bank Guarantees to be issued by the Bank on behalf of the Borrower of a total amount up to RMB287,800,000 for a term of 37 months.

In consideration of the provision of the entrusted guarantee service, the Borrower will be paying Shenzhen Credit an agreed annual guarantee fee and deposit, respectively, before Shenzhen Credit notify the Bank to issue letter of guarantee, which will be determined after arm’s length negotiations between the parties, further details of which are set out in the section headed “The Bank Guarantees” below.

## **THE COUNTER-GUARANTEE AGREEMENT**

On 28 April 2021, Shenzhen Credit, Mr. Wong and Zhengxinglong Real Estate entered into the Counter-Guarantee Agreement, pursuant to which Mr. Wong and Zhengxinglong Real Estate shall provide counter-guarantees in favour of Shenzhen Credit on a joint and several basis to guarantee the payment of all liabilities and reasonable expenses which may be incurred by Shenzhen Credit under the Entrusted Guarantee Agreement.

The scope of the Counter-Guarantee Agreement includes:

- (a) all payment obligations by Shenzhen Credit under the Entrusted Guarantee Agreement;
- (b) all reasonable expenses, damages and compensation payables which may be incurred by Shenzhen Credit in the course of fulfilling its obligations under the Entrusted Guarantee Agreement; and
- (c) all outstanding amounts including the principal and any interests payable to the Bank by the Borrower under the Maximum Credit Facility Agreement, handling fees, damages, compensation and any other related fees and expenses which may be payable by the Borrower under the Maximum Credit Facility Agreement.

The period of the Counter-Guarantee shall be starting from the date of signing the Counter-Guarantee Agreement up to 3 years from the expiry of the performance obligations of Shenzhen Credit under the Entrusted Guarantee Agreement.

## **THE BANK GUARANTEES**

After the execution of the Agreements, the Bank will proceed to issue three letters of guarantee with the amount of RMB39,900,000, RMB80,700,000 and RMB167,200,000, respectively, to the Competent Authority for a term of 37 months.

In consideration of the provision of service from the Bank and Shenzhen Credit under the Maximum Credit Facility Agreement and the Entrusted Guarantee Agreement, respectively, the Borrower will be paying the Bank an agreed annual handling fee and Shenzhen Credit an agreed annual guarantee fee and deposit, respectively, which will be determined after arm's length negotiations between the parties, after taking into account the prevailing market rates and practices.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in property development and property investment and other related services.

## **INFORMATION ON PARTIES INVOLVED**

Shenzhen Credit is a company established in the PRC with limited liability, which is principally engaged in SME financing service in Guangdong province. Shenzhen Credit is a wholly-owned subsidiary of Shenzhen Municipal Government. To the best of the Director's knowledge, information and belief, and after making all reasonable enquiries, Shenzhen Credit and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Borrower is a company established in the PRC with limited liability, which is principally engaged in industrial and commercial investment activities, including the investment for and development of the Baishizhou Urban Renewal Project. The Borrower is an indirect wholly-owned subsidiary of the Holding Company.

The Holding Company is a company incorporated in Hong Kong with limited liability, which is principally engaged in investment holding. As at the date of this announcement, the Holding Company is indirectly held as to 80% by the Company and 20% by Mr. Wong.

Mr. Wong is the founder of the Group and the father of Ms. Huang Jingshu (the chairman and an executive Director) and Mr. Huang Hao Yuan (an executive Director). As at the date of this announcement, Mr. Wong is indirectly interested in approximately 70.44% of the issued share capital of the Company and is the controlling shareholder of the Company.

Zhengxinglong Real Estate is a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company, which is principally engaged in property development.

The Bank is a banking institution in the PRC. To the best of the Director's knowledge, information and belief, and after making all reasonable enquiries, the Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE AGREEMENTS**

The Borrower is an indirect wholly-owned subsidiary of the Holding Company. The principal activity of the Borrower is industrial and commercial investment, including the investment for and development of the Baishizhou Urban Renewal Project.

In the ordinary and usual course of business, the Company and its subsidiaries engaged in property development may require credit support documents issued by commercial banks for their respective business operations. In April 2021, the Borrower and the Competent Authority entered into a regulatory agreement regarding the development of the Phase I of Baishizhou Urban Renewal Project, mainly for governing the Borrower the standard of its work as the operating entity for construction for the said project. In particular, the Borrower can only proceed its work as the operating entity for construction in the condition of providing a letter of guarantee to the Competent Authority issued by commercial banks of RMB287,800,000 not later than 13 May 2021. Therefore, the Credit Facility

shall be made available before that for the Borrower to arrange issuance of the Bank Guarantees to the Competent Authority. The Directors consider that the issuance of the Bank Guarantees is a common practice in urban renewal projects and the proceeds from the Credit Facility has been and will be solely applied towards the issuance of Bank Guarantees. As such, the Agreements and the transactions contemplated thereunder are necessary for supporting the Borrower to fulfil the regulatory requirement in development of the Baishizhou Urban Renewal Project and also to maintain sufficient working capital of the Borrower, which would ultimately benefit the Group as a holding company with a 80% indirect equity interest.

Pursuant to the Counter-Guarantee Agreement, the maximum liability of Zhengxinglong Real Estate and Mr. Wong to Shenzhen Credit would be limited to all liabilities and expenses which may be incurred by Shenzhen Credit under the Entrusted Guarantee Agreement, and the execution of the Counter-Guarantee will cover and offset the potential liability with respect to the Borrower under the Bank Guarantees.

Based on the above factors, the Board is of the view that the terms of the Agreements are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **DIRECTORS' CONFIRMATION**

Ms. Huang Jingshu, the chairman of the Company and an executive Director, and Mr. Huang Hao Yuan, an executive Director, are the daughter and son of Mr. Wong, respectively. By virtue of their relationship with Mr. Wong, Ms. Huang Jingshu and Mr. Huang Hao Yuan are considered to have a material interest in the Agreements and the transactions contemplated thereunder. Therefore, each of Ms. Huang Jingshu and Mr. Huang Hao Yuan has abstained from voting on the resolutions of the Board in respect of the Agreements pursuant to the articles of association of the Company and the Listing Rules. Save as disclosed above, none of the other Directors has a material interest in the Agreements and the transactions contemplated thereunder and hence no other Director is required to abstain from voting on the relevant Board resolutions.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Wong is indirectly interested in approximately 70.44% of the issued share capital of the Company and is the controlling shareholder of the Company. As the Company and Mr. Wong hold 80% and 20% equity interest in the Holding Company, respectively, the Borrower (which is a wholly-owned subsidiary of the Holding Company) is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules and the Counter-Guarantee to be provided by the Group will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Agreements and transactions contemplated thereunder exceeds 0.1% but less than 5%, it is subject to the reporting and announcement requirements but is exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Counter-Guarantee to be provided by Mr. Wong will be on normal commercial terms or better and no security over the assets of the Group will be granted in respect of the Counter-Guarantee to be provided by Mr. Wong. As such, the Counter-Guarantee to be provided by Mr. Wong will be exempted from reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreements”	the Maximum Credit Facility Agreement the Entrusted Guarantee Agreement, the Maximum Guarantee Agreement and the Counter-Guarantee Agreement
“Baishizhou Urban Renewal Project”	Shahe Wucun Urban Renewal Unit (沙河五村城市更新單元) project, located in Nanshan District, Shenzhen, the PRC
“Bank”	Bank of Ningbo Co., LTD., Shenzhen Branch (寧波銀行股份有限公司深圳分行)
“Bank Guarantees”	Three letters of guarantee to be provided by the Bank to the Competent Authority on behalf of the Borrower, with the amount of RMB39,900,000, RMB80,700,000 and RMB167,200,000, respectively
“Board”	the board of Directors
“Borrower”	深圳市綠景天盛實業有限公司 (Shenzhen LVGEM Tiansheng Industry Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Holding Company
“Company”	LVGEM (China) Real Estate Investment Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 95)
“Competent Authority”	深圳市南山區城市更新和土地整備局 (The Shenzhen Nanshan District City Renewal and Land Development Bureau*), the competent authority of the Baishizhou Urban Renewal Project
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Counter-Guarantee”	the counter-guarantee provided by Mr. Wong and Zhengxinglong Real Estate in favour of Shenzhen Credit in respect of the Guarantee
“Counter-Guarantee Agreement”	the counter-guarantee agreement dated 28 April 2021 entered into among Shenzhen Credit, Mr. Wong and Zhengxinglong Real Estate in relation to the counter-guarantee provided by Mr. Wong and Zhengxinglong Real Estate in favour of Shenzhen Credit in respect of the Guarantee
“Credit Facility”	the maximum credit facility in the principal amount of up to RMB287,800,000 from the Bank to the Borrower pursuant to the Maximum Credit Facility Agreement
“Director(s)”	the director(s) of the Company
“Entrusted Guarantee Agreement”	the entrusted guarantee agreement dated 28 April 2021 entered into among Shenzhen Credit and the Borrower in relation to the entrusted guarantee provided by Shenzhen Credit in favour of the Borrower in respect of the Bank Guarantees
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by Shenzhen Credit in favour of the Bank in respect of the Credit Facility pursuant to the terms of the Maximum Guarantee Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holding Company”	Intelligent City Development Limited, a company incorporated in Hong Kong with limited liability which is indirectly held as to 80% by the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maximum Credit Facility Agreement”	the credit facility agreement dated 28 April 2021 entered into between the Borrower and the Bank



“Maximum Guarantee Agreement”	the maximum guarantee agreement dated 28 April 2021 entered into between Shenzhen Credit and the Bank in relation to the guarantee provided by Shenzhen Credit in favour of the Bank in respect of the Credit Facility
“Mr. Wong”	Mr. Wong Hong King, a controlling shareholder of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Credit”	Shenzhen Credit Guarantee Group Co., Ltd, a company established in the PRC with limited liability and a wholly-owned subsidiary of Shenzhen Municipal Government
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhengxinglong Real Estate”	Zhengxinglong Real Estate (Shenzhen) Co., Ltd., a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company, which is principally engaged in property development
“%”	per cent

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

Hong Kong, 28 April 2021

*As at the date of this announcement, the executive Directors are Ms. HUANG Jingshu (Chairman), Mr. TANG Shouchun (Chief Executive Officer), Mr. YE Xingan, Mr. HUANG Hao Yuan and Mr. SIU Chi Hung; the non-executive Director is Ms. LI Lihong; and the independent non-executive Directors are Mr. WANG Jing, Ms. HU Gin Ing and Mr. MO Fan.*

\* *For identification purpose only*