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VOLUNTARY ANNOUNCEMENT PARTICIPATION IN THE PROMOTION AND ESTABLISHMENT OF BELT ROAD INSURANCE

The Board (the “**Board**”) of Directors (the “**Directors**”) of LVGEM (China) Real Estate Investment Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 24 October 2016, Zhengxinglong Real Estate (Shenzhen) Co., Ltd. (“**Zhengxinglong**”, a company established in the People’s Republic of China, which is a wholly-owned subsidiary of the Company) proposed to participate in the promotion and establishment of 一帶一路財產保險股份有限公司 (Belt and Road Property Insurance Co., Ltd.*) (as named tentatively) (hereinafter referred to as “**Belt Road Insurance**”) as organized by China International Council for the Promotion of Multinational Corporations (中國國際跨國公司促進會) (“**CICPMC**”). Zhengxinglong proposed to contribute RMB290 million for the subscription of 10% of shares in Belt Road Insurance. All subscription monies will be fully paid within three months upon approval of the regulatory authorities.

CICPMC is approved by the State Council of the People’s Republic of China and registered by the Ministry of Civil Affairs. It is a non-governmental organization of which the operation is supervised by the Ministry of Commerce. CICPMC was granted the Special Consultative Status by the United Nations Economic and Social Council. Over the past 20-plus years, pursuing the policy of promoting the growth and development of multinational corporations, CICPMC has been promoting the cooperation and exchange between Chinese and foreign multinational corporations. It has not only provided assistance to many enterprises in their development, but also built a platform for the cooperation and exchange between the government and multinational corporations as well as submitted important recommendations and proposals to the government and relevant ministries and commissions in relation to the relevant issues of multinational corporations. CICPMC was founded in 1993. Mr. Zheng Wantong, Vice Chairman of the 11th National Committee of CPPCC, has served as the President since September 2010. Mr. Zhang Jianguo, a member of the National Committee of CPPCC and the Former Governor of China Construction Bank, serves as the head of the preparatory team of “Belt Road Insurance”. In response to the national strategy of “One Belt, One Road” and in order to provide comprehensive risk protection and financial assistance to multinational corporations, CICPMC organized the promotion and establishment of Belt Road Insurance.

The major scope of business of Belt Road Insurance is proposed to include corporate safety and production liability insurance, technology insurance, intellectual property insurance, property insurance, catastrophe insurance, agricultural hazard insurance, third party liability insurance for education funds, employment insurance for university graduates, liability insurance, insurance for major construction projects, insurance for mines and third parties, logistics insurance, freight insurance, carrier liability insurance, credit insurance, guarantee insurance, vehicle and vessel insurance, food and drug insurance, personal accident insurance, short-term health insurance and automobile insurance, reinsurance of the aforesaid insurances; insurance funds utilisation as permitted by laws and regulations of the PRC; other businesses as approved by the China Insurance Regulatory Commission (the “**CIRC**”). The final scope of business shall be subject to the approval of the regulatory authorities.

* For identification purpose only

The purpose of Zhengxinglong's participation in the promotion and establishment of Belt Road Insurance is to allow the Company to take advantage of the opportunities arisen from its development in the insurance market by supporting the implementation of various national strategies, such as the construction under the State's "One Belt, One Road" initiative, the synergic development of Beijing-Tianjin-Hebei region and the development of Yangtze River Economic Belt. Upon its inception, Belt Road Insurance will take a customer-focused and market-oriented approach. Operating in compliance with laws and regulations, it will offer a variety of products and quality services to customers. It will continue to innovate in various aspects such as product research and development, sales channels, internal control management and cost control. With the edges of its location, shareholders and subsequent development, Belt Road Insurance will gradually realize its core competitiveness and enhance its profitability. Accordingly, the Company believes that the participation in the promotion of Belt Road Insurance represents a good investment opportunity with huge growth potential. Meanwhile, the proposed place of registration for Belt Road Insurance is Tianjin Free Trade Zone, where the company will be benefited from special policies under the national strategy of "Synergic Development of Beijing-Tianjin-Hebei Region" and the relevant policies enjoyed by Tianjin Free Trade Zone as a pilot financial zone in China, which is expected to provide positive support to Zhengxinglong's results.

The Company believes that participation in the promotion of Belt Road Insurance will create synergies with the principal business, broaden the revenue stream as well as enhance the profitability and overall competitiveness of the Group.

Upon signing of the share subscription agreement by the founding member companies, the performance obligations as agreed by the promoters and the establishment of Belt Road Insurance are subject to, including but not limited to, the approval of governmental authorities such as the CIRC. Meanwhile, as all applicable percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") are less than 5%, the signing of share subscription agreement by the founding member companies and the undertakings in respect of raising and paying for the initial working capital do not constitute discloseable transactions under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

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

Hong Kong, 24 October 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.