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LT COMMERCIAL REAL ESTATE LIMITED

勒泰商業地產有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 112)

PLACING OF BONDS

Placing Agent



China Galaxy International Securities (Hong Kong) Co., Limited

On 29 July 2014, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as placing agent for the purposes of procuring subscribers on a best effort basis to subscribe for the Bonds (i.e. Initial Bonds with an aggregate principal amount of up to HK\$200,000,000 and the Additional Bonds (subject to the exercise of the Additional Bonds Option by the Placing Agent)).

NET PROCEEDS

The net proceeds of the Placing of Bonds will be approximately HK\$384 million (assuming the Additional Bonds Option is exercised by the Placing Agent and the Bonds are placed in full). The Directors intend to apply the net proceeds of the Placing of Bonds for financing the development of real estate projects and as general working capital of the Group.

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THE PLACING AGREEMENT

Date

29 July 2014

Parties

Issuer : the Company

Placing Agent : China Galaxy International Securities (Hong Kong) Co., Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing of Bonds

Pursuant to the Placing Agreement, the Placing Agent agreed to act as the placing agent for the purposes of procuring subscribers on a best effort basis to subscribe for the Bonds (i.e. Initial Bonds with an aggregate principal amount of up to HK\$200,000,000 and Additional Bonds (subject to the exercise of the Additional Bonds Option by the Placing Agent)) during the Placing Period.

Initial Bonds and Additional Bonds

The Initial Bonds shall be placed in an aggregate principal amount of up to HK\$200,000,000 during the Placing Period. The Additional Bonds Option has been granted by the Company to the Placing Agent under the Placing Agreement, pursuant to which the Placing Agent has an option to require the Company to issue the Additional Bonds in an aggregate principal amount of up to HK\$200,000,000 on the following terms:

- (a) the Additional Bonds Option will be exercisable upon completion of the subscription of the Initial Bonds and can only be exercised from time to time during the Placing Period;
- (b) the Additional Bonds Option may be exercised by written notice from the Placing Agent to the Company (which notice once issued, shall not be revoked); and
- (c) in the event that the Placing Agent exercised the Additional Bonds Option, the Placing Agent will procure the Placees to subscribe for the Additional Bonds, on a best effort basis, during the Placing Period.

Placees

The Bonds will be placed to not less than six and not more than 50 Placees which will be independent professionals, corporations and private investors, and who and whose ultimate beneficial owners are Independent Third Parties.

Bonds

The principal terms of the Bonds are summarised below:

Issuer: The Company

Principal amount: Up to HK\$200,000,000 for the Initial Bonds and up to HK\$200,000,000 for the Additional Bonds (assuming the Additional Bonds Option is exercised by the Placing Agent)

Issue Price 100% of the principal amount of the Bonds

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| Maturity date: | On the date immediately following eight (8) years after the date of issue of the Bonds |
| Interest rate: | 8% per annum, accrued daily on a 365 days basis and payable annually in arrears |
| Form and Denomination | In registered form and in denominations of HK\$1,000,000 each |
| Status: | The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for the Convertible Bonds and the potential senior bonds and such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Bonds. |
| Transferability: | The Bonds may be transferrable in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount thereof) and may be transferred to any person. Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person of the Company. |
| Redemption on maturity: | The Company shall redeem the Bonds which remain outstanding by 4:00 p.m. on the date falling on the eighth anniversary of the date of first issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter) at 100% of the principal amount. |
| Early redemption: | The Company may at any time prior to the maturity date and from time to time redeem the Bonds at 101% of the outstanding principal amount (in whole or in part) in cash by serving at least five Business Days' prior written notice on the holder of the Bonds. |

The terms of the Bonds were determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market conditions.

The Placing of Bonds is unconditional.

Completion of the Placing of Bonds

Completion of the Placing of Bonds will take place within three Business Days upon the Placing Agent having served the Completion Notice to the Company during the Placing Period (or such later time and date as the Placing Agent and the Company may agree in writing).

REASONS FOR THE PLACING OF BONDS AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in securities investments and financing and property investment and development.

The Board have considered various ways of raising funds to develop its businesses and consider that the Placing of Bonds represent a suitable opportunity to raise capital for the Company. In addition, the Placing of Bonds will not be resulted in any dilution effect on the shareholding of the existing Shareholders.

In view of the above, the Directors are of the view that the Placing of Bonds provides a good opportunity to strengthen the Company's financial position and the terms of the Placing of Bonds are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross and net proceeds of the Placing of Bonds (assuming the Additional Bonds Option is exercised by the Placing Agent and the Bonds are placed in full) will be HK\$400 million and approximately HK\$384 million respectively. The Directors intend to apply the net proceeds of the Placing of the Bonds for financing the development of real estate projects and as general working capital of the Group.

OTHER POTENTIAL FUND RAISING EXERCISES OF THE COMPANY

As at the date of this announcement, the Company is in the course of negotiating with various financial institutions for bank facilities and/or debts financing, including the possible placing of senior bonds, to fund its potential participation in the development of real estate projects and/or other potential projects. The Board wishes to emphasize that the negotiations for the abovementioned banking facilities and/or debts financing are still ongoing and may or may not proceed. Further announcement in respect of the above will be made by the Company in compliance with the Listing Rules as and when appropriate.

Completion of the Placing of Bonds is subject to the Placing Agent's rights of termination of the Placing of Bonds under the terms and conditions of the Placing Agreement. Accordingly, the Placing of Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

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| “Additional Bonds” | further eight-year 8% coupon bonds with an aggregate principal amount of up to HK\$200,000,000 to be placed pursuant to the exercise of the Additional Bonds Option |
| “Additional Bonds Option” | the option granted by the Company to the Placing Agent under the Placing Agreement to require the Company to issue the Additional Bonds |
| “Board” | the board of Directors |
| “Bonds” | the Initial Bonds and the Additional Bonds |
| “Business Day(s)” | any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |

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| “Company” | LT Commercial Real Estate Limited, a company incorporated in Hong Kong with limited liability, whose issued Shares are listed on the main board of the Stock Exchange |
| “Completion Notice” | a notice in writing to be issued and served by the Placing Agent to the Company specifying, among other things, the completion date and the principal amount of the Bonds to be issued by the Company |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Convertible Bonds” | the convertible bonds in the principal amount of HK\$550 million issued by the Company pursuant to the subscription agreement dated 24 December 2013 |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company |
| “Initial Bonds” | eight-year 8% coupon bonds with an aggregate principal amount of up to HK\$200,000,000 to be placed pursuant to the Placing Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Placee(s)” | any independent professionals, corporations and private investors selected and procured by or on behalf of the Placing Agent to subscribe for the Bonds pursuant to the Placing Agreement |
| “Placing Agent” | China Galaxy International Securities (Hong Kong) Co., Limited, acting as the placing agent for the Placing of Bonds |
| “Placing Agreement” | the placing agreement dated 29 July 2014 and entered into between the Company and the Placing Agent in relation to the Placing of Bonds |
| “Placing of Bonds” | the placing of the Bonds pursuant to the terms of the Placing Agreement |
| “Placing Period” | the period commencing from 1 August 2014 and ending on 30 September 2014, or such other period as may be agreed between the Company and the Placing Agent in writing |
| “Share(s)” | ordinary share(s) in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Shares |

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| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

By order of the Board
LT Commercial Real Estate Limited
Yang, Longfei
Chairman and Chief Executive Officer

Hong Kong, 29 July 2014

As at the date of this announcement, the executive Directors are Mr. Yang, Longfei (Chairman and Chief Executive Officer), Ms. Dai, Hui, Mr. Chan, Tik Sang (Deputy Chief Executive Officer) and Mr. Yang, Shao Xing Max, the non-executive Directors are Mr. Lee, Vincent Marshall Kwan Ho and Mr. Lam, Kwong Wai and the independent non-executive Directors are Mr. Fan, Ren Da Anthony, Mr. Fan, Chun Wah Andrew and Mr. Lau, Yu Fung Wilson.

Website of the Company: <http://www.lth.com.hk>