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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 NOTES

Placing Agent



AMTD Financial Planning Limited

On 5 September 2014, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as the exclusive placing agent for the purposes of arranging subscribers on a best effort basis for the issue of the Notes with an aggregate principal amount of up to HK\$200,000,000 during the Placing Period.

NET PROCEEDS

The net proceeds of the Placing of Notes will be approximately HK\$180 million (assuming the Notes are placed in full). The Directors intend to apply the net proceeds of the Placing of Notes for financing the development of real estate projects and other potential projects and as general working capital of the Group.

THE PLACING AGREEMENT

Date

5 September 2014

Parties

Issuer : the Company

Placing Agent : AMTD Financial Planning 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 Notes

Pursuant to the Placing Agreement, the Placing Agent agreed to act as the exclusive placing agent for the purposes of arranging subscribers on a best effort basis for the issue of the Notes with an aggregate principal amount of up to HK\$200,000,000 during the Placing Period.

Placees

The Notes will be placed to independent Professional Investors, who and whose ultimate beneficial owners are Independent Third Parties.

Notes

The principal terms of the Notes are summarised below:

Issuer: The Company

Principal amount: Up to HK\$200,000,000

Issue Price: 100% of the principal amount of the Notes

Maturity date: The date falling on the third (3rd) anniversary of the Issue Date

Interest rate: 10% per annum, accrued daily on a 365 days basis and payable semi-annually in arrears.

Denomination: The Notes are issued in specified denominations of HK\$1,000,000 and integral multiples thereof.

Status: The Notes 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 Notes shall, save for the Convertible 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 Notes.

Transferability:	The Notes 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.
Redemption for change of control:	At any time following the occurrence of a Change of Control, the holder of each Note will have the right, at such holder's option, to require the Company to redeem all, or some only, of such holder's Notes at 101% of the principal amount, together with accrued and unpaid interest.
Early redemption:	The Company will, at the option of the holder of the Notes, redeem all or some only of such holder's Notes on the second anniversary of the Issue Date at 100% of the principal amount, together with accrued and unpaid interest. The Company may, on or at any time after the first anniversary of the Issue Date and prior to the date falling on the third anniversary of the Issue Date, redeem the Notes, in whole but not in part, at 100% of the principal amount, together with accrued and unpaid interest.
Redemption on maturity:	The Company shall redeem the Notes which remain outstanding on the date falling on the third anniversary of the Issue Date (or, if that is not a Business Day, the first Business Day thereafter) at 100% of the principal amount.

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

It is proposed that The Bank of New York Mellon, London Branch will be appointed as the trustee, principal paying agent and settlement agent in respect of Notes and The Bank of New York Mellon (Luxembourg) S.A. will be appointed as the registrar and transfer agent in respect of the Notes.

Conditions

The Placing of Notes is conditional upon:

- (a) no event having occurred or occurring which would constitute an event of default had the Notes been issued;
- (b) the obtaining of all necessary consents, authorisations, licences and approvals, in relation to the Placing Agreement and the transactions contemplated thereunder having been obtained from any relevant governmental or regulatory authorities or other relevant third parties by the relevant parties to the Placing Agreement;
- (c) the designation as eligible for clearance and settlement through Euroclear and Clearstream of the Notes represented by the global certificate;
- (d) the trust deed, the agency agreement and settlement agent agreement in relation to the Notes, in a form reasonably satisfactory to the Placing Agent and the Company, having been executed and delivered by all parties thereto;

- (e) the Company having taken such other steps in relation to the Notes as are reasonable and necessary in order to permit the Notes to be held in the Euroclear and Clearstream system; and
- (f) there shall not have been in the opinion of the Placing Agent any material adverse change in (1) the Hong Kong and/or international money and stock markets; or (2) the conditions of the Company, which in either case could adversely and materially affect the successful completion of the issue of the Notes.

Save as the condition (a) above can be waived by the Placing Agent at any time in writing, all other conditions are incapable to be waived. If any of the conditions has not been satisfied (or, as the case may be, waived by the Placing Agent) at or before 4:00 p.m. on 31 October 2014 or such later time or date as may be agreed between the Placing Agent and the Company in writing, the Placing Agent may, at any time thereafter, terminate its obligations under the Placing Agreement by notice in writing to the Company, whereupon the obligations of the Placing Agent under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the other, save for any antecedent breach of the Placing Agreement.

Completion of the Placing of Notes

Completion of the Placing of Notes will take place within five Business Days after the latter of (i) the date of serving of such Completion Notice by the Placing Agent to the Company; and (ii) the date the last of the conditions in the Placing Agreement has been fulfilled (or waived) (or such later time and date as the Placing Agent and the Company may agree in writing).

REASONS FOR THE PLACING OF NOTES 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 has considered various ways of raising funds to develop its businesses and considers that the Placing of Notes represents a suitable opportunity to raise capital for the Company. In addition, the Placing of Notes 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 Notes provides a good opportunity to strengthen the Company's financial position and the terms of the Placing of Notes 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 Notes (assuming the Notes are placed in full) will be HK\$200 million and approximately HK\$180 million respectively. The Directors intend to apply the net proceeds of the Placing of Notes for financing the development of real estate projects and other potential projects and as general working capital of the Group.

Completion of the Placing of Notes is subject to the Placing Agent's rights of termination of the Placing of Notes under the terms and conditions of the Placing Agreement. Accordingly, the Placing of Notes 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:

“Board”	the board of Directors
“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
“Change of Control”	any person or persons acting together acquire(s) the control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board after Issue Date; or the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to a third party or a third party acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Company
“Clearstream”	Clearstream Banking, société anonyme, incorporated under the laws of the Grand Duchy of Luxembourg or any successor securities clearing agency
“Company”	LT Commercial Real Estate Limited, a company incorporated in Hong Kong with limited liability, whose issued Shares are listed on 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 Notes 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
“Euroclear”	Euroclear Bank S.A./N.V., as operator of the Euroclear System, or any successor securities clearing agency
“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

“Issue Date”	the date of issue of the Note(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	a three-year 10% coupon Notes with an aggregate principal amount of up to HK\$200,000,000 to be placed pursuant to the Placing Agreement
“Placee(s)”	any Professional Investors selected and procured by or on behalf of the Placing Agent to subscribe for the Notes pursuant to the Placing Agreement
“Placing Agent”	AMTD Financial Planning Limited, acting as the exclusive placing agent of the Notes under the Placing Agreement and a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) permitted to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities
“Placing Agreement”	the placing agreement dated 5 September 2014 and entered into between the Company and the Placing Agent in relation to the Placing of Notes
“Placing of Notes”	the placing of the Notes pursuant to the terms of the Placing Agreement
“Placing Period”	the period commencing from 5 September 2014 and ending on 3 October 2014, or such other period as may be agreed between the Company and the Placing Agent in writing
“Professional Investor”	has the meaning ascribed to it under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“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, 5 September 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>