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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)

(1) ADOPTION OF SHARE AWARD SCHEME; (2) SUPPLEMENTAL INFORMATION TO PROFIT WARNING; AND (3) CLARIFICATION ANNOUNCEMENT

The Board is pleased to announce that on 8 August 2014 it has adopted the Scheme to provide incentives to attract and retain Selected Employees for the benefits of the Group. Pursuant to the Scheme, existing Shares will be purchased in the market by the Trustee at the cost of the Company and held on trust for all or one or more of the Employees until such Shares are vested with the relevant Selected Employees in accordance with the Scheme Rules.

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The number of Shares to be awarded under the Scheme throughout its duration shall not exceed ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption of the Scheme.

(1) THE SHARE AWARD SCHEME

The Board is pleased to announce that on 8 August 2014 it resolved to adopt the Scheme.

For the avoidance of doubt, no new Share will be granted under the Scheme.

A summary of the Scheme Rules is set out below:

Purposes and Objectives

The specific objectives of the Scheme are:

- (i) to recognise the contributions by certain Selected Employees and to provide them with incentives in order to retain them for the continuing operation and development of the Group; and
- (ii) to attract suitable personnel for further development of the Group.

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed.

Duration

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

Scheme Limit

The Board shall not make any further Award which will result in the total number of Shares awarded by the Board to be in excess of ten per cent (10%) of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed one per cent (1%) of the issued share capital of the Company from time to time.

Restrictions

No Award shall be made by the Board and no payment shall be made to the Trustees and no instructions to acquire Shares shall be given to the Trustees under the Scheme where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules and regulations from time to time.

Operation

Pursuant to the Scheme Rules, the Board may, from time to time, at its absolute discretion select the Selected Employee(s) (excluding any Excluded Employee) for participation in the Scheme as a Selected Employee and determine the number of the Shares to be awarded. The Board may at its discretion, with or without further conditions, grant additional Shares or cash award out of the trust fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the Vesting Date to a Selected Employee upon the vesting of any Awarded Shares.

The Board shall cause to pay the Trustee the acquisition price and the related expenses required for the completion of the purchase of the Shares from the resources of the Company. The Trustee shall apply the same to purchase from the market the maximum number of Shares at such prices and such time (if applicable) as specified by the Board and shall hold such Shares until they are vested in accordance with the Scheme Rules and the Trust Deed.

When the Selected Employee has satisfied all conditions (if any) specified by the Board, the Board shall send to the relevant Selected Employee (with a copy to the Trustee) a vesting notice together with such prescribed transfer documents which require the Selected Employee to execute to effect the vesting and transfer of the Awarded Shares, and the Trustee shall transfer the relevant Awarded Shares to such Selected Employee on the Vesting Date and in any event not later than 20 Business Days after the Vesting Date.

A Selected Employee shall not have any interest or rights (including the rights to receive dividends) in the Awarded Shares prior to the Vesting Date.

Share awards to directors or connected persons

Where any grant of Awarded Shares is proposed to be made to any Selected Employee who is a Director, such grant must first be approved by all the members of the remuneration committee of the Company, or in the case where the grant is proposed to be made to any member of the remuneration committee, by all of the other members of the remuneration committee.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

Vesting and Lapse

The Awarded Shares shall vest in that Selected Employee on such terms and subject to such conditions (if any) as specified by the Board, conditional on the execution of the relevant documents to effect the transfer from the Trustee by the Selected Employee.

In the event prior to or on the Vesting Date in respect of a Selected Employee, (i) a Selected Employee ceases to be an Employee or is deemed to be ceased to be an Employee as provided under the Scheme Rules (excluding cessation caused by the death of a Selected Employee or the earlier retirement of a Selected Employee by agreement with the Settlor or the Subsidiary); or (ii) the Subsidiary by which a Selected Employee is employed ceases to be a subsidiary of the Company; or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or (iv) the Selected Employee fails to sign and return the acceptance form attached to the grant notice in relation to the Award before the expiry of the acceptance period prescribed therein, the Award shall automatically lapse forthwith and the Awarded Shares shall not vest on the relevant Vesting Date and the Awarded Shares shall become Returned Shares for the purposes of the Scheme.

In the event that prior to or on the Vesting Date, (i) a Selected Employee is found to be an Excluded Employee; or (ii) a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant part of an Award made to such Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time prior to or on the date of the Vesting Date, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, the Board shall determine at its discretion whether such Awarded Shares shall vest in the Selected Employee and the time at which such Awarded Shares shall vest.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares derived therefrom).

Termination

The Scheme shall terminate on the earlier of (i) on the tenth (10th) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Employee hereunder. Upon termination, all the Awarded Shares of the Selected Employees granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Employees according to the conditions of the Award, subject to the receipt by the Trustee of the transfer documents prescribed by the Trustee and duly executed by the Selected Employee.

Upon termination, all Shares (except for any Awarded Shares subject to vesting on the Selected Employees) remaining in the trust fund shall be sold by the Trustee within 28 Business Days (on which the trading of the Shares has not been suspended), and all net proceeds of sale and such other funds and properties remaining the trust fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith.

LISTING RULES IMPLICATIONS

The Scheme does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary award scheme of the Company. No Shareholders' approval is required for the adoption of the Scheme.

Pursuant to the Scheme, Selected Employees cover any Director and other employees of the Company and of its Subsidiaries. As such, if the Board selects a Director as the Selected Employee, the grant of the Awarded Shares to such Director may constitute a connected transaction of the Company. However, since the grant of Awarded Shares to a Director forms part of the remuneration of the relevant Director under his/her service

contract, such grant of Awarded Shares will be exempted from all the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.95 of the Listing Rules.

For the award of Shares to Selected Employees who are connected persons (excluding Directors), the Company will comply with the relevant provisions of the Listing Rules in relation to the reporting, announcement and independent Shareholders' approval requirements if applicable.

The Trustee will become a core connected person of the Company as defined under Rule 1.01 of the Listing Rules if the Trustee holds any Awarded Shares on trust for the Selected Employees which include connected person(s) of the Company, and those Awarded Shares will not be counted in the public float of the Company in such circumstances. The Company will take appropriate measures to ensure at least 25% of the Company's total issued Shares are held by the public Shareholders from time to time.

The Trustee will become a connected person of the Company if the number of Awarded Shares held by the Trustee for the benefit of the connected persons of the Company exceeds 30% of the aggregate number of the Awarded Shares held by the Trustee. There is no restriction in the Scheme on the aggregate interests of the Company's connected persons held by the Trustee, the Company will comply with the relevant provisions under Chapter 14A of the Listing Rules where appropriate.

(2) SUPPLEMENTAL INFORMATION TO PROFIT WARNING

Reference is made to the announcement of the Company dated 23 July 2014 relating to the profit warning of the Company (the "**Previous Announcement**"). Based on the latest information available to the Company, the Board wishes to inform the Shareholders that there would be a fair value gain from the convertible bonds issued by the Company on 10 January 2014 of approximately HK\$1 million and a decrease in fair value on investment properties of approximately HK\$6 million for the six months ended 30 June 2014 in accordance with the Group's accounting policies. The Company expects that, due to the reasons as disclosed in the Previous Announcement and the changes in fair value as explained above, the Group would record a significant increase in net loss for the six months ended 30 June 2014 as compared to that of six months ended 30 June 2013 which represents an increase to approximately 160% of the net loss for the year ended 31 December 2013.

This supplemental information is based on the information currently available to the Group and the Company's latest assessment of the unaudited consolidated management accounts of the Group, which have neither been reviewed nor audited by the Company's independent auditor. The interim results of the Group for the six months ended 30 June 2014 are expected to be released in late August 2014. Shareholders and potential investors are advised to read the interim results of the Company when it is published.

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

(3) CLARIFICATION

Reference is also made to the circular and notice of EGM of the Company both dated 28 July 2014 and the proxy form accompanied thereto (the "**Proxy Form**").

The Board noted that there is a typographical error in the Proxy Form, such that the EGM will be held on “Friday, 22 August 2014 at 11 a.m.” instead of “Thursday, 22 August 2014 at 11 a.m.”.

The Board apologise to the Shareholders for any inconvenience that might have caused.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	8 August 2014, being the date on which the Board adopted the Scheme;
“Award”	an award of Awarded Shares by the Board to a Selected Employee pursuant to the Scheme;
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares awarded by the Board;
“Board”	the board of directors of the Company;
“Business Day”	a day (other than Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Company”	LT Commercial Real Estate Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 112);
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held on 22 August 2014 to consider and, if thought fit, approve each of the proposed foundation works contractor contracts and main contractor contracts and the transactions contemplated respectively thereunder;
“Employee(s)”	any employee (including without limitation any director) of any member of the Group;
“Excluded Employee(s)”	(i) at the time of the proposed grant of an Award, any Employee whose service in the Group is within his probationary period as stated in his employment contract with the Group, or (ii) any Employee who is resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Employee;
“Group”	the Company and its Subsidiaries;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Returned Shares”	such Awarded Shares which are referable to a Selected Employee and which are not vested and/or forfeited in accordance with the terms of the Scheme, or forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme;
“Scheme”	the “LT Commercial Real Estate Limited Share award Scheme” adopted by the Board in its present form or as amended from time to time;
“Scheme Rules”	means the rules relating to the Scheme or as amended from time to time;
“Selected Employee(s)”	employee(s) selected by the Board pursuant to the Scheme Rules for participation in the Scheme;
“Share(s)”	ordinary shares in the capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed dated 8 August 2014 entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time) in respect of, inter alia, the constitution of the Trust and the appointment of the Trustee for the administration and operation of the Scheme;
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed; and
“Vesting Date(s)”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares is vested in such Selected Employee in accordance with the Scheme.

On behalf of the board of
LT Commercial Real Estate Limited
Yang, Longfei
Chairman and Chief Executive Officer

Hong Kong, 8 August 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>