



# ASX ANNOUNCEMENT

6 January 2016

## Letter to Shareholders

ABN: 14 074 009 091

ASX Code:

**LCG**

Phone:

+61 8 9277 2600

Facsimile:

+61 8 9277 5303

Email:

[info@lcg.properties](mailto:info@lcg.properties)

Web:

[www.lcg.properties](http://www.lcg.properties)

Postal Address:

Living Cities  
Development Group Limited  
PO Box 383  
BELMONT WA 6984

Head Office:

Living Cities  
Development Group Limited  
3 Camden St BELMONT  
WA 6104

Living Cities Development Group Limited ("the Company") has today dispatched the attached letter to Eligible Shareholders that are entitled to participate in the Priority Offer under the terms of the Prospectus lodged with ASIC on 22 December 2015 ("the Prospectus").

Applications under the Priority Offer and the Public Offer may be lodged with the Company from today. The Offers close at 5PM WST on 1 February 2016.

The Prospectus may be downloaded from the Company's website at [www.lcg.properties](http://www.lcg.properties)

A paper hardcopy of the Prospectus may also be requested free of charge from the Company by calling **08 9277 2600** or by sending a request to [info@lcg.properties](mailto:info@lcg.properties)



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Dear Shareholder,

**PRIORITY OFFER NEW SHARE ENTITLEMENT**

This is my first opportunity to write to you as the Company's Chairman rather than as its Managing Director. I am honoured to hold the position of Executive Chairman and am looking forward to my new role. In this capacity, I hope I will be able to keep you up to date on the exciting future ahead for our Company.

As you are aware, our Company has been undergoing some changes recently as it restructures into the new business of property and infrastructure development, with an initial project already identified in China. The final major step in this process is a capital raising by way of a Prospectus, which was lodged with ASIC on 22 December 2015.

Applications for New Shares under this Prospectus can be accepted from 6 January 2016 onwards until 5PM WST on the Closing Date of 1 February 2016.

One of the key terms of the reconstruction that was negotiated by the Board of the Company with the proponent, the Company's major shareholder TFA International Pty Ltd, was a Priority Offer entitlement for existing Eligible Shareholders. If you have received this letter, then you have such an entitlement under the Priority Offer.

In order to recapitalise its operations, the Company is raising up to A\$3M in a Public Offer as one of the component Offers under the Prospectus. The Priority Offer gives you and your fellow existing Eligible Shareholders priority rights ahead of the public to subscribe for New Shares under the Public Offer. The terms and conditions of this priority are detailed in Section 1.11 of the Prospectus.

As Chairman, I encourage you to consider participating in this capital raising and to review the Prospectus in its entirety before deciding whether to invest further. Following the recent consolidation, many shareholders now hold less than a marketable parcel of 10,000 shares and so those that do opt to participate in this new capital raising will also be assisting us to gain the necessary shareholder spread requirements for the re-quotations of the Company's shares on the ASX.

We do recognise that because the Company is going to be undertaking a new business, continuing to hold shares in the Company or applying for New Shares under the Prospectus will not suit the investment objectives of all our current shareholders. However, if you would like to consider the new business of the Company and possible investment in New Shares, we would be glad to have you stay with us on this exciting new business venture!



If you would like to consider the opportunity and potentially take advantage of your Priority Offer, then the next step is to obtain a copy of the Prospectus.

As many investors prefer to view a Prospectus electronically these days, and in the interests of protecting the environment, we have decided not to send paper hardcopies of the Prospectus to every Eligible Shareholder.

However, you can easily obtain a copy of the Prospectus in one of three ways:

1. Download an electronic copy from the Company's website at [www.lcg.properties](http://www.lcg.properties)
2. Email [info@lcg.properties](mailto:info@lcg.properties) and we will send an electronic copy by return email; or
3. Request a paper hardcopy of the Prospectus from the Company and one will be dispatched to you immediately, free of charge. You can request a hardcopy Prospectus from the Company by phone on **08 9277 2600** during business hours (Perth Time) or email us at [info@lcg.properties](mailto:info@lcg.properties) or you can obtain a hardcopy from our office.

If you choose to make an Application for New Shares, please ensure you tick the Priority Offer box on the Application Form to secure your priority.

Whether you plan to invest in New Shares under your Priority Offer entitlement or not, I would urge you to download the Prospectus because it will give you a good understanding of what I believe is an exciting future for our Company.

I hope you will choose to remain a shareholder of the Company but either way, on behalf of the Company I wish you prosperity in your future investments.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Brett Manning", with a large, stylized flourish at the end.

Brett Manning  
Executive Chairman