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Landing International Development Limited

藍鼎國際發展有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 582)

PROPOSED CHANGE IN USE OF PROCEEDS FROM SHARE SUBSCRIPTIONS

Reference is made to the circular of Landing International Development Limited dated 12 March 2014 in relation to the Share Subscriptions. The Company proposes to change the use of proceeds of HK\$600 million from the Share Subscriptions, which was intended for the Jeju Project.

The proposed change in the use of proceeds is subject to considerations and approvals by the Shareholders at the SGM. A circular containing, among other things, details of the proposed change in use of proceeds and notice of the SGM, will be dispatched to the Shareholders in due course.

Reference is made to the circular of Landing International Development Limited dated 12 March 2014 (the “**Circular**”) in relation to the Share Subscriptions. Unless defined otherwise, terms used herein should have the same meanings as those defined in the Circular.

The amount of net proceeds from the Share Subscriptions of approximately HK\$661 million, was originally intended to be used as to (i) not more than approximately HK\$600 million for future investment and development costs of the Jeju Project; and (ii) the remaining of approximately HK\$61 million for the general working capital of the Group and/or financing any future investment opportunities of the Group.

PROPOSED CHANGE IN USE OF PROCEEDS

As disclosed in the Circular, that HK\$600 million was to partly cover the capital contribution that the Group may need to contribute to the SPC for the purpose of the Jeju Project by the year 2015 based upon the preliminary investment plan and budget for the Jeju Project. As at the date of this announcement, the proceeds of HK\$600 million has not yet been utilized.

Given that the sum of HK\$600 million allocated for the Jeju Project has no immediate use and application, the Board now proposes to change the use thereof in the following manner:

- (i) as to approximately HK\$200 million for the general working capital of the Group, including (a) approximately HK\$75 million for the 2014 lease payments and operating expenses of the Aircraft (details of which had been disclosed in the Circular) and (b) approximately HK\$125 million for the operation of the casino business, subject to the completion of the related sale and purchase agreement (details of which had been disclosed in the announcement of the Company dated 3 April 2014);
- (ii) as to approximately HK\$200 million for other suitable investment opportunities to be identified which may further enhance the investment portfolio and future earning capability and potential of the Group, including but not limited to, further capital injection for the Jeju Project; and
- (iii) as to approximately HK\$200 million to Yueyang Nanhu Meishu Properties Limited[#] (岳陽南湖美墅置業有限公司), an indirect wholly-owned subsidiary of the Company (“**Yueyang Company**”), including (a) approximately HK\$80 million to finance the construction works of its residential development on the land situated on the western shores of Nanhu Lake[#] (南湖), Yueyang, Hunan Province, the People’s Republic of China (“**PRC**”) (the “**Yueyang Residential Properties**”) in order to speed up the whole construction process and (b) approximately HK\$120 million (equivalent to approximately RMB100 million) for the full repayment of the entrusted loan borrowed by Yueyang Company (the “**Entrusted Loan**”) subject to the consents of Anhui Landing Holding Group Co., Ltd[#] (安徽藍鼎控股集團有限公司) (“**Anhui Landing**”) and AVIC Trust Company Limited[#] (中航信托股份有限公司) (“**AVIC Trust**”).

Details of the Yueyang Residential Properties and the Entrusted Loan have been disclosed in the Company’s circular dated 25 March 2013 and 13 November 2013 respectively. As disclosed in the Company’s circular dated 13 November 2013, Anhui Landing, the lender of the Entrusted Loan, is a company controlled by Mr. Yang Zhihui, the executive director and chairman of the Company and AVIC Trust is in turn the fund provider to Anhui Landing for the Entrusted Loan. According to the arrangement of the Entrusted Loan, the repayment of the Entrusted Loan will be in fact repaying AVIC Trust, and in view the interest rate charged for the Entrusted Loan is the same as that charged for the loan between Anhui Landing and AVIC Trust; as such, it is considered that Anhui Landing does not possess material interest in the proposed change in the use of proceeds.

As at the date hereof, the Entrusted Loan with a principal amount of RMB100 million has been fully drawn down bearing an interest payment of approximately RMB13 million per annum. The Entrusted Loan is due for repayment by December 2015. It is expected that the early full repayment of the Entrusted Loan would reduce the finance costs, and in turn enhance the profitability, of Yueyang Company.

In the event that consents are not received from Anhui Landing and AVIC Trust for the early repayment, the said HK\$120 million will be used to further speed up the construction and sales works of the Yueyang Residential Properties.

The Board considered that the proposed change of use of proceeds as mentioned above represents a more efficient use of the Group's financial resources, and hence is in the interests of the Company and its Shareholders as a whole.

It is expected that, when the actual development of the Jeju Project commences or progresses, and/or other suitable investment opportunities for the Group are identified, the Group may be subject to further financing needs. Hence, the Board does not rule out the possibility that the Company will conduct further debt and/or equity fund raising exercises if and when such financing needs and suitable fund raising opportunities arise in order to support the development of the Jeju Project and other developments of the Group.

LISTING RULES IMPLICATION

As mentioned in the Circular, the Company shall make further announcement and comply with the relevant requirement under the Listing Rules (including Shareholders' approval) as and when appropriate in case the proceeds raised from the Share Subscriptions are not used for the future investment and development of the Jeju Project. So, the proposed change in the use of proceeds is subject to the considerations and approvals by the Shareholders at a special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the proposed change in use of proceeds (the "SGM"). None of the Shareholders or Directors are required to abstain from voting on the relevant resolution(s) at the SGM. A circular containing, among other things, details of the proposed change in use of proceeds and notice of the SGM, will be dispatched to the Shareholders in due course.

By order of the Board
Landing International Development Limited
Yang Zhihui
Chairman and Executive Director

Hong Kong, 19 May 2014

As at the date of this announcement, the Board comprises Mr. Yang Zhihui (Chairman) Mr. Ng Kwok Fai (Deputy Chairman), Ms. Zhou Xueyun, Ms. Xu Ning and Mr. Lee Siu Woo as executive Directors and Mr. Fok Ho Yin, Thomas, Mr. Chen Lei and Ms. Zhang Xiaolan as independent non-executive Directors.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.