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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 31 August 2017 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis to currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 24,000,000,000 Placing Shares at the Placing Price of HK\$0.075 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 24,000,000,000 Placing Shares represent (i) approximately 19.45 % of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.28% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.075 per Placing Share represents: (i) a discount of approximately 10.71% to the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 31 August 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 11.56% to the average closing price of HK\$0.0848 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the aggregate gross proceeds from the Placing will be HK\$1,800 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission and disbursements) incidental to the Placing of approximately HK\$9.3 million, are estimated to be approximately HK\$1,790.7 million. The Company intends to apply the net proceeds from the Placing for the development of Jeju Shinhwa World and other working capital of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 31 August 2017 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis to currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 24,000,000,000 Placing Shares at the Placing Price of HK\$0.075 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 31 August 2017

Parties: (i) the Company (as issuer); and
(ii) Kingston Securities Limited (as placing agent).

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. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 0.5% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing is fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees who shall be professional, institutional or other investors who and whose ultimate beneficial owners are Independent Third Parties.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 24,000,000,000 Placing Shares represent (i) approximately 19.45% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.28% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 24,000,000,000 Placing Shares is HK\$240,000,000.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.075 per Placing Share represents: (i) a discount of approximately 10.71% to the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 31 August 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 11.56% to the average closing price of HK\$0.0848 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to, amongst other things, the prevailing market price and the recent trading performance of the Shares. The Directors consider that the terms of the Placing Agreement including the Placing Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and

- (ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

In the event that any of the above conditions is not fulfilled on or before 21 September 2017 (or such later date as may be agreed between the parties to the Placing Agreement in writing) (the “**Long Stop Date**”), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on a date falling within four Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing) (the “**Completion Date**”).

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 24,679,055,108 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders’ approval. The General Mandate will be utilised as to approximately 97.25% upon the allotment and issue of all the Placing Shares.

Termination

- (i) Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent’s appointment shall terminate upon the earlier of (a) the completion of the Placing; (b) the Long Stop Date if the conditions as set out in section headed “Conditions of the Placing” have not been satisfied or waived (as the case may be); and (c) the termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Placing Agreement.
- (ii) The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investors or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
 - (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investors) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.
- (iii) If, at or prior to 9:00 a.m. on the Completion Date:
- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
 - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcements relating to the Placing or other notifiable transactions of the Company; or
 - (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

- (iv) Upon giving of notice by the Placing Agent to terminate the Placing in accordance with the Placing Agreement, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in (i) development and operation of integrated leisure and entertainment resort; (ii) gaming club and entertainment facilities; and (iii) property development.

After the conclusion of the Rights Issue in April 2017, the Group has achieved certain major developments and revised its construction and business plans in relation to its investment in Jeju Shinhwa World:

- (i) to develop Jeju Shinhwa World into an iconic mega tourist attraction in Asia, in August 2017, Landing Jeju entered into
- several agreements with Four Seasons Hotels and Resorts Asia Pacific Pte Ltd and its affiliates for the launch of a luxury Four Seasons resort within Jeju Shinhwa World; and
 - a theme park development agreement with Lions Gate Entertainment Inc., a global entertainment and media leader, for the development of a theme park exclusively built around world-famous movies named ‘Lionsgate Movie World’ at Jeju Shinhwa World;
- (ii) to continue the momentum of the phased openings of the integrated resort scheduled to take place from the third quarter of 2017 onwards and to provide better product offerings to the guests, the Group has decided to
- accelerate the construction and bring forward the completion of the waterpark, theme park hotel and dormitory and training facilities to 2018 (which formed parts of the phase two of Jeju Shinhwa World originally planned to be completed in 2019); and
 - build a new lobby and guest facilities within Somerset Jeju Shinhwa World to cater for the guests’ expectation and operation needs; and
- (iii) to prepare for the phased opening of the integrated resort from the third quarter of 2017 onwards, the Group has also decided to slow down the marketing and sales activities of the resort condominiums and redirect and focus all its marketing and promotional efforts and resources to the opening and marketing of the theme park, hotels and various entertainment facilities. To a certain extent, this may affect the Group’s amount of cash inflow which may otherwise be available for its investment in the project.

Details of the above business development of Jeju Shinhwa World have been disclosed in the recent announcements of the Company dated 25 April 2017, 4 August 2017, 16 August 2017 and 29 August 2017.

All these new developments and revised construction plans and marketing focus mentioned above have prompted additional financing needs over and beyond what was estimated at the time of, and raised in, the Rights Issue. It is currently estimated that a further investment amount of approximately US\$1 billion will be required to cover the higher construction and development costs, and the accelerated spending for the upcoming period.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the aggregate gross proceeds from the Placing will be HK\$1,800 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission and disbursements) incidental to the Placing of approximately HK\$9.3 million, are estimated to be approximately HK\$1,790.7 million. The Company intends to apply the net proceeds from the Placing for the development of Jeju Shinhwa World and other working capital of the Group. The net Placing Price will be approximately HK\$0.0746 per Placing Share.

The Directors are of the view that the Placing represents a good opportunity for the Group to raise capital to satisfy the financing needs of the Group. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

To cater for the business development of the Group, especially the Jeju Shinhwa World, the Company will from time to time review and revise the financial budget of the Group. It is currently the Group's plan to finance the remaining financing needs of Jeju Shinhwa World by means of debt financing and/or such other means as may be available and acceptable to the Group. Where applicable, the Company will make further announcements in the future in accordance with the Listing Rules as and when appropriate.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Landing International Limited (<i>Note</i>)	74,078,364,892	60.03	74,078,364,892	50.26
Public Shareholders				
The Placees	—	—	24,000,000,000	16.28
Other public Shareholders	<u>49,316,910,650</u>	<u>39.97</u>	<u>49,316,910,650</u>	<u>33.46</u>
Total	<u><u>123,395,275,542</u></u>	<u><u>100.00</u></u>	<u><u>147,395,275,542</u></u>	<u><u>100.00</u></u>

Note: Landing International Limited is wholly owned by Mr. Yang Zhihui, an executive Director and chairman of the Company.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activity during the twelve months immediately preceding the date of this announcement:

Date of the initial announcement	Fund-raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the proceeds
16 January 2017	Rights Issue of 102,829,396,285 rights shares	Approximately HK\$5,065 million	(i) Approximately HK\$4,274 million for the partial repayment of outstanding indebtedness of the Company to Landing International Limited; and (ii) the remaining proceeds of not less than approximately HK\$791 million for the working capital of the Group and repayments of loans and relevant finance costs payable to Independent Third Parties who are not Shareholders and/or financing any future investment opportunities of the Group.	Applied as intended use

Save as disclosed above, the Company had not conducted any fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Landing International Development Limited, a company incorporated in Cayman Island and continued in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 26 June 2017 to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution, pursuant to which a maximum of 24,679,055,108 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Jeju Shinwa World”	the integrated resort project developed by Landing Jeju which is located in Jeju, South Korea
“Landing Jeju”	Landing Jeju Development Co., Ltd., a wholly-owned subsidiary of the Company, which is incorporated in Korea and principally engaged in the development and operation of Jeju Shinwa World

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 24,000,000,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	Kingston Securities Limited, licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 31 August 2017 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.075 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Shares”	a total of up to 24,000,000,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“Rights Issue”	the rights issue completed in April 2017 on the basis of five rights Shares for every one Share held on the record date at the subscription price of HK\$0.05 per rights Share
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 31 August 2017

As at the date of this announcement, the Board comprises Mr. Yang Zhihui (Chairman) and Ms. Zhou Xueyun as executive Directors and Mr. Fok Ho Yin, Thomas and Mr. Bao Jinqiao as independent non-executive Directors.

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