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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)**

### **MAJOR TRANSACTION IN RELATION TO DISPOSAL**

#### **THE DISPOSAL**

On 7 September 2017 (after trading hours), the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Disposal Company, and the Sale Loan, at the aggregate Consideration of HK\$2,500,000,000.

Upon Completion, the Disposal Group will cease to be subsidiaries of the Company.

Taking into account (a) the significant expected gain on the Disposal and (b) that the Disposal will strengthen the Group's cash flow and working capital position to enhance its ability to focus on the development of Jeju Shinhwa World while remaining in a good position to invest in any opportunities with good prospects, the Directors are of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Disposal Agreement and the transactions contemplated thereunder may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal Agreement and the transactions contemplated thereunder; and (2) the written shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Disposal Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Disposal Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Disposal Agreement and the transactions contemplated thereunder.

On 7 September 2017, the Company received the written Shareholder's approval from Landing International Limited, a controlling Shareholder directly holding 74,078,364,892 Shares, representing approximately 60.03% of the issued share capital of the Company as at the date of this announcement, for approving the Disposal Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

## **GENERAL**

A circular of the Company containing, among other matters, further details of the Disposal and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders for information purpose on or before 28 September 2017.

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Disposal Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.**

## **THE DISPOSAL**

The Board is pleased to announce that on 7 September 2017 (after trading hours), the Company and the Purchaser entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Disposal Company, and the Sale Loan, at the aggregate Consideration of HK\$2,500,000,000.

## THE DISPOSAL AGREEMENT

**Date:** 7 September 2017 (after trading hours)

**Parties:** (1) the Company, as vendor; and  
(2) Suen Cho Hung, Paul (孫粗洪), as Purchaser.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and his associates are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) as at the date of this announcement.

### Subject matter

Pursuant to the Disposal Agreement, the Company shall sell as beneficial owner and the Purchaser shall purchase the Sale Shares and the Sale Loan. The Sale Shares, representing the entire issued share capital of the Disposal Company, are sold free from Encumbrances together with all rights now and hereafter attaching thereto including but not limited to all dividends to be paid, declared or made in respect thereof at any time on or after Completion. The Sale Loan, representing all loans owed by the Disposal Group to the Company at Completion, will be assigned and transferred to the Purchaser or its nominee free from all Encumbrances together with all rights attaching thereto with effect from the date of Completion.

The Purchaser shall not be obliged to purchase any of the Sale Shares or the Sale Loan unless the sale and purchase of the Sale Share and the Sale Loan are completed simultaneously.

As at the date of this announcement, the Sale Loan amounted to approximately HK\$1,698,460,000.

### Consideration

The Consideration for the sale and purchase of the Sale Shares and the Sale Loan is HK\$2,500,000,000, which shall be payable by the Purchaser to the Company in the following manner:

- (a) HK\$1,000,000,000, being the deposit and part payment of the Consideration (the "**Deposit**"), shall be paid within ten Business Days after signing of the Disposal Agreement; and
- (b) the balance of HK\$1,500,000,000 shall be paid on Completion.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on normal commercial terms by taking into account (i) the net asset value of the Disposal Group of approximately HK\$23,620,000 as at 30 June 2017; (ii) the outstanding amount of the Sale Loan of approximately HK\$1,698,460,000 as at the date of the Disposal Agreement (which included the initial acquisition consideration of

approximately HK\$1,485,077,000 paid by the Company); and (iii) the reasons for the Disposal as discussed in the paragraph headed “Reasons for the Disposal” in this announcement.

Having considered the above factors, the Board considers that the Consideration, which was arrived at after arm’s length negotiations, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion is conditional upon and subject to the following conditions:

- (1) the Purchaser having completed the due diligence review on the assets, liabilities, operations and affairs of the Disposal Group (“**Due Diligence Condition**”);
- (2) the Shareholder(s) approving the Disposal Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules by passing the requisite resolution(s) at a general meeting or by way of written Shareholder’s approval;
- (3) the Company (a) not being in breach of any term of the Disposal Agreement; and (b) not being in breach of any of its pre-completion undertakings under the Disposal Agreement;
- (4) there being no breach of the warranties given by the Company to the Purchaser under the Disposal Agreement at Completion;
- (5) there being no disclosure(s) in the completion disclosure letter from the Company of any circumstance, event, matter or thing which had it not been disclosed, would give rise to a material claim by the Purchaser under the Disposal Agreement; and
- (6) the Company has obtained and maintained all required approvals for the gambling business operated by the Les Ambassadeurs Club or in relation to any Disposal Group company.

The Company shall use its best endeavours to procure the fulfillment of the condition set out in (2) above. The Purchaser shall use its best endeavours to procure the fulfillment of the condition set out in (1) above. The Purchaser may in its absolute discretion at any time waive the conditions set out in (1), (3), (4) and (5) above. The conditions set out in (2) and (6) above are not waivable by any party.

If the conditions set out above have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Disposal Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof, and the Company shall refund the Deposit to the Purchaser without interest within seven Business Days.

As at the date of this announcement, condition (2) mentioned above has been fulfilled.

## Completion

Completion shall take place on the fifth Business Day after the fulfillment or waiver (as the case may be) of the Due Diligence Condition or such other date (being a Business Day) as the Company and the Purchaser may agree in writing.

Upon Completion, the Disposal Group will cease to be subsidiaries of the Company.

## INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is a company incorporated in the BVI with limited liability, which is principally engaged in investment holding. The Disposal Company indirectly owns the entire equity interest in Les Ambassadeurs Club Limited, a company incorporated in England and Wales, which is principally engaged in the operation of Les Ambassadeurs Club. The Club is a gambling club with 45 gaming tables offering a variety of games including American roulette, baccarat, blackjack, and three card poker.

Set out below is a summary of the financial information of the Disposal Group:

	<b>For the year ended 31 December 2016 (unaudited) HK\$'000</b>	<b>For the six months ended 30 June 2017 (unaudited) HK\$'000</b>
Revenue	1,127,542	427,921
Net profit before tax	151,481	36,360
Net profit after tax	151,123	28,421

As at 30 June 2017, the unaudited consolidated net asset value of the Disposal Group was approximately HK\$23,620,000.

## FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group will cease to have any interests in the Disposal Group, and the financial results of the Disposal Group will no longer be consolidated in the financial statements of the Group.

## GAIN OR LOSS ATTRIBUTABLE TO THE DISPOSAL

Based on the preliminary assessment on the unaudited consolidated financial information of the Disposal Group as at 31 July 2017, the Group will record an estimated gain before tax and consideration of other transaction costs of approximately HK\$500,000,000 as a result of the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to a final audit to be performed by the auditors of the Company. The proceeds from the Disposal are intended to be used for general working capital of the Group and to finance investment opportunities as may be identified from time to time.

## REASONS FOR THE DISPOSAL

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

While the Disposal Group performed well in 2016 and the first half of 2017, the Directors consider that this opportunity to divest itself of the Disposal Group is in line with the Company's latest business focus and represents a good return for the Shareholders:

- (1) The Group stands to make a significant return on its investment. Based on the latest figures as at the date of this announcement, the Group estimates that it will record a gain before tax and consideration of other transaction costs of approximately HK\$500,000,000 from the Disposal, representing a return on investment of approximately 30–35% expressed as the ratio of estimated gain over initial acquisition consideration.
- (2) Despite the Disposal, the Group remains strongly committed to developing its gaming business and to becoming one of the global leaders in the tourism, leisure and entertainment industry. The Group plans to achieve this on two fronts:
  - a. The Group currently plans to relocate Landing Casino from its present location to Jeju Shinhwa World as one of the core facilities within the resort. If the relocation plan is successfully implemented, Landing Casino will become a casino seven times its present size (in terms of floor area) with over 150 tables and 185 slot machines (existing: 28 tables and 16 slot machines). This will not only consolidate Jeju Shinhwa World's position as a premium international tourist destination, but also enhance the competitiveness of Landing Casino, both locally within Jeju and internationally in the world gaming industry.
  - b. The Group is currently looking for opportunities to diversify into emerging markets in Southeast Asia which offer high growth potential and favourable investment terms. For example, the Group is currently seeking out opportunities in the Philippines.

The Disposal will strengthen the Group's cash flow and working capital position and place the Group in a better position to achieve such a business vision and strategy.

- (3) The strengthened cash flow and working capital will also enhance the Group's ability to step up its investment in Jeju Shinhwa World (details of which have been disclosed in the Company's announcements dated 25 April 2017, 4 August 2017, 16 August 2017, 29 August 2017 and 31 August 2017).

The Directors are of the view that the Disposal will strengthen the Group's financial position and enhance its ability to focus on the development of Jeju Shinhwa World while remaining in a good position to invest in any opportunities with good prospects of growth and profitability. Accordingly, the Directors are of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Disposal Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Disposal Agreement and the transactions contemplated thereunder.

On 7 September 2017, the Company received the written Shareholder's approval from Landing International Limited, a controlling Shareholder directly holding 74,078,364,892 Shares, representing approximately 60.03% of the issued share capital of the Company as at the date of this announcement, for approving the Disposal Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

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**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Disposal Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.**

## DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associates”	has the same meaning ascribed thereto under the Listing Rules
“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 in Hong Kong throughout their normal business hours
“BVI”	British Virgin Islands
“Club” or “Les Ambassadeurs Club”	the gambling club owned and operated by Les Ambassadeurs Club Limited
“Company”	Landing International Development Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal
“Consideration”	the consideration of HK\$2,500,000,000 payable by the Purchaser to the Company for the sale and purchase of the Sale Shares and the Sale Loan under the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and Sale Loan by the Company to the Purchaser pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 7 September 2017 and entered into between the Purchaser and the Company in relation to the Disposal
“Disposal Company”	Jolly Champion Holding Limited, a company incorporated in the BVI with limited liability
“Disposal Group”	the Disposal Company and its subsidiaries



“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement or any third party right whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jeju Shinhwa World”	the integrated resort project developed by Landing Jeju which is located in Jeju, South Korea
“Landing Casino”	the casino owned and operated by the Group at Hyatt Regency Jeju Hotel in Jeju, South Korea
“Landing Jeju”	Landing Jeju Development Co., Ltd., a wholly-owned subsidiary of the Company, which is incorporated in South Korea and principally engaged in the development and operation of Jeju Shinhwa World
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 October 2017, or such later date as the Company and the Purchaser may agree in writing
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Suen Cho Hung, Paul (孫粗洪)
“Sale Loan”	all outstanding loans owing by any Disposal Group company to the Company as at the date of Completion
“Sale Shares”	100 ordinary shares of US\$1.00 each in the capital of the Disposal Company legally and beneficially owned by the Company, representing the entire issued share capital of the Disposal Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 7 September 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.*