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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)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF WHOLLY-OWNED SUBSIDIARIES

SALE AND PURCHASE AGREEMENT

On 11 May 2020 (after trading hours), the Company as the vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Share, representing the entire issued share capital of Stepwide Developments, and the Sale Loan at the total consideration of HK\$120,000,000.

Upon Completion, the entire issued share capital of Stepwide Developments will be owned by the Purchaser, and the Disposal Group will cease to be subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios applicable to the Company exceed(s) 5% but is less than 25%, the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

THE DISPOSAL

The Board is pleased to announce that on 11 May 2020 (after trading hours), the Company as the vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Share, representing the entire issued share capital of Stepwide Developments, and the Sale Loan at the total consideration of HK\$120,000,000.

SALE AND PURCHASE AGREEMENT

Date: 11 May 2020 (after trading hours)

Parties: (i) the Company as the vendor
(ii) the Purchaser

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) 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.

Assets to be disposed of

The assets to be disposed of under the Sale and Purchase Agreement comprise the Sale Share and the Sale Loan.

The Sale Share, representing the entire issued share capital of Stepwide Developments, is sold free from all Encumbrances together with all rights attached or accruing thereto as at the date of Completion.

As at the date of the Sale and Purchase Agreement, the outstanding amount of the Sale Loan is approximately HK\$395,716,000. The Sale Loan represents the outstanding shareholder's loan owing by Jumbo Step to the Company. All of the rights, interest and benefits attached to the Sale Loan will be transferred at Completion from the Company to the Purchaser by way of assignment.

Consideration

The aggregate consideration for the Sale Share and the Sale Loan is HK\$120,000,000 (the "**Consideration**"), which shall be paid by the Purchaser in the following manner:

- (a) a sum of HK\$24,000,000 being refundable deposit and upon Completion as partial payment of the Consideration (the "**Deposit**") shall be paid to the Company upon the signing of the Sale and Purchase Agreement; and
- (b) the balance in the sum of HK\$96,000,000 shall be paid to the Company upon Completion.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser, with reference to (i) the net liabilities (including the inter-company indebtedness) of the Disposal Group of approximately HK\$268,493,000 as at 31 March

2020; and (ii) the valuation of the lands and buildings held by Landing Korea as at 2 April 2020 of KRW18,930,892,100 (equivalent to approximately HK\$120,303,000 based on the exchange rate of KRW157.36: HK\$1) performed by an independent professionally qualified valuer.

The Consideration is intended to be used for general working capital of the Group, including its gaming business and integrated leisure resorts in Jeju, South Korea and business development for potential projects if and when opportunities arise.

The Board considers that the Sale and Purchase Agreement is on normal commercial terms, and the Consideration is fair and reasonable and the Disposal 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:

- (a) the Purchaser having completed the due diligence investigation and having notified the Company that the Purchaser is fully or substantially satisfied with the results of the due diligence investigation, provided that such notification shall not prejudice in any manner whatsoever any of the Purchaser's rights in respect of any claims in relation to and in connection with the warranties and the undertakings given by the Company;
- (b) all necessary approvals, permits, consents and authorization having been obtained by the parties to the Sale and Purchase Agreement in connection with the transactions contemplated under the Sale and Purchase Agreement, whether pursuant to law, regulatory compliance or otherwise;
- (c) the warranties having remained true and accurate in all material respects since the date of signing of the Sale and Purchase Agreement up to the date of due diligence investigation being satisfied by the Purchaser; and
- (d) no occurrence, event or circumstance which could cause any material adverse change or prospective material adverse change in Stepwise Developments' business, operations, financial conditions, assets or prospects since the date of signing of the Sale and Purchase Agreement up to and including the date of Completion.

The Company shall use its best endeavours to ensure that the above conditions precedent are duly fulfilled not later than 29 May 2020 (or such later date as the Company and the Purchaser may agree, which must be a Business Day) (the "**Long Stop Date**").

If the conditions set out above have not been fulfilled (or, where applicable, waived by the Purchaser in writing) at or before 12:00 noon on the Long Stop Date, the Sale and Purchase Agreement shall lapse and the Company shall refund the Deposit to the Purchaser without interest within seven Business Days after the Long Stop Date, and all rights and obligations of the parties to the Sale and Purchase Agreement shall cease to have effect except in respect of any accrued rights and obligations. If the Purchaser fails to complete the Disposal after the above conditions precedent having been fulfilled (or waived), the Deposit shall be retained by the Company and shall not be refundable to the Purchaser.

Completion

Completion shall take place on the second Business Day after the fulfilment (or waiver) of all conditions precedent under the Sale and Purchase Agreement, or such other date as the Company and the Purchaser may agree in writing prior to the Completion. For avoidance of doubt, Completion shall not take place if the Purchaser fails to pay the balance of the Consideration in accordance with the Sale and Purchase Agreement.

Upon Completion, the entire issued share capital of Stepwide Developments will be owned by the Purchaser, and the Disposal Group will cease to be subsidiaries of the Company.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in BVI with limited liability.

INFORMATION OF DISPOSAL GROUP

Stepwide Developments is an investment holding company incorporated in BVI with limited liability and is direct wholly-owned by the Company.

Jumbo Step is an investment holding company incorporated in Hong Kong with limited liability and is direct wholly-owned by Stepwide Developments.

Landing Korea is a company incorporated in South Korea with limited liability and is direct wholly-owned by Jumbo Step. Landing Korea is holding lands and buildings for the establishment of training center in Jeju, South Korea.

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

	For the year ended 31 December 2018 (audited) HK\$'000	For the year ended 31 December 2019 (audited) HK\$'000
Revenue	14,816	1,519
Net loss before taxation	18,661	170,171
Net loss after taxation	18,661	170,171

As at 31 March 2020, the unaudited consolidated net liabilities (including the inter-company indebtedness) of the Disposal Group was approximately HK\$268,493,000.

REASONS FOR AND BENEFITS OF 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.

The principal assets of the Disposal Group are the lands and buildings owned by Landing Korea for the establishment of a training centre in Jeju, South Korea. Following the inception of the integrated leisure and entertainment resorts of the Group in 2017, a new training centre developed by the Group in closer proximity of its core businesses and facilities has been in place to carry out training activities of the Group. Hence, the training activities of the Group have been conducted in a more efficient and cost-effective manner in another location thereafter and the utilization of the lands and buildings owned by Landing Korea had decreased substantially in 2019. The Group considers that the sale proceeds from the Disposal may strengthen the cash position of the Group and the Disposal may also enable the Group to better utilize and allocate its internal resources whilst the Disposal does not result in material impact on its existing business operation. Moreover, the Disposal may also enhance efficiency and reduce cost of the Group's business as the maintenance, management and other operating costs for maintaining the lands and buildings owned by Landing Korea will no longer be required subsequent to the Completion.

In view of the global economic challenges and uncertainties ahead, the Directors consider that the Disposal will facilitate the Group to adjust its assets portfolio and re-allocate its resources in a more effective manner. In light of the aforesaid reasons, the Board considers the Sale and Purchase Agreement and the transactions contemplated thereunder, to be on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

As a result of the Disposal, 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.

Based on the preliminary assessment on the unaudited consolidated financial information of the Disposal Group as at 31 March 2020, it is expected that the Group will record an estimated loss on the Disposal before tax and consideration of other transaction costs of approximately HK\$7,223,000 (excluding the effect of release of exchange reserve of approximately HK\$19,800,000 attributable to the Disposal Group). The actual gain or loss as a result of the Disposal to be recorded by the Group will depend on the financial position of the Disposal Group as at the date of Completion.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios applicable to the Company exceed(s) 5% but is less than 25%, the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Sale and Purchase Agreement and the transaction contemplated there under are subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meaning:

“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday, public holiday, or days on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business
“BVI”	British Virgin Islands
“Company”	Landing International Development Limited, an exempted company incorporated in the Cayman Islands and continued in Bermuda, the shares of which are listed on the main board of the Stock Exchange (stock code: 582)
“Completion”	completion of the Disposal in accordance with the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of, among others, the Sale Share and Sale Loan pursuant to the Sale and Purchase Agreement
“Disposal Group”	Stepwide Developments and its subsidiaries
“Encumbrance”	means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, deferred purchase, title retention, leasing, sale and leaseback arrangement, claim, adverse interest or equities of any kind, or any other type of preferential arrangement (including, without limitation, a transfer or retention arrangement) having similar effect over or in any property, assets or rights of whatever nature and including any agreement for any of the same
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Jumbo Step”	Jumbo Step Limited (茂拓有限公司), a company incorporated in Hong Kong with limited liability, which is direct wholly-owned by Stepwide Developments
“KRW”	Korean Won, the lawful currency of Korea
“Landing Korea”	Landing Korea Co., Ltd., a company incorporated in South Korea with limited liability, which is direct wholly-owned by Jumbo Step
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	China Yueda Group Holdings Limited, a company incorporated in BVI with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Company and the Purchaser on 11 May 2020 in relation to the Disposal
“Sale Loan”	the shareholder’s loan where the Company is the lender and Jumbo Step is the borrower for the sum of about HK\$395,716,000 or such other sum as shall be shown to be owing to the Company by Jumbo Step as at Completion
“Sale Share”	the one share in the share capital of Stepwide Developments issued fully paid or credited as fully paid, representing the entire issued share capital of Stepwide Developments
“Shareholder(s)”	the holder(s) of shares of the Company
“Stepwide Developments”	Stepwide Developments Limited (廣階發展有限公司), a company incorporated in BVI with limited liability, which is direct wholly-owned by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 11 May 2020

As at the date of this announcement, the Board comprises Mr. Yang Zhihui (Chairman), Ms. Chan Mee Sze, Mr. Yeung Lo, Dr. Wong Hoi Po and Ms. Pu Shen Chen as executive Directors; and Mr. Bao Jinqiao, Mr. Li Mingfa, Mr. Li Chun Kei and Mr. Nguyen Van Tu Peter as independent non-executive Directors.

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